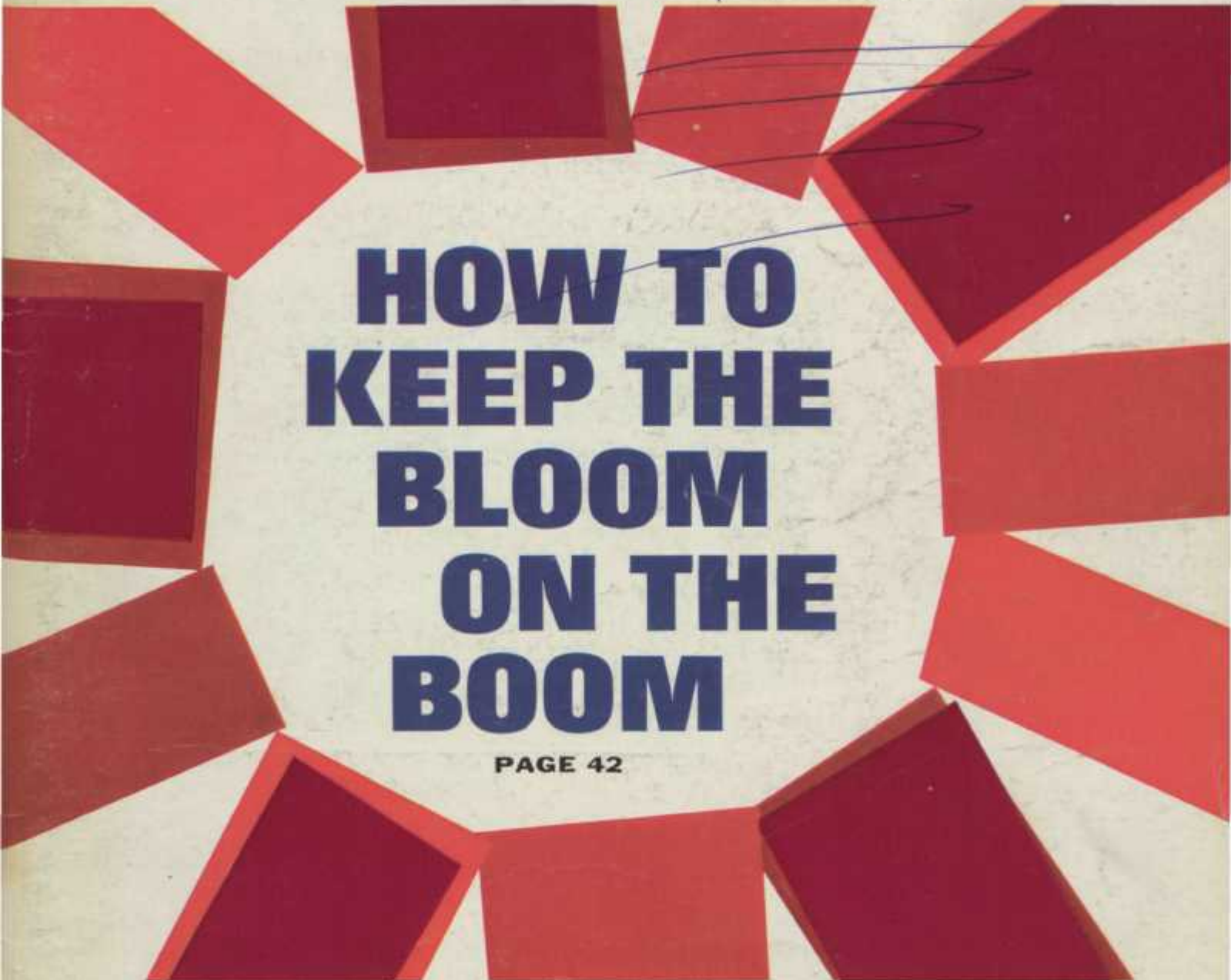


Nation's Business

A USEFUL LOOK AHEAD

APRIL 1967

Valarie



HOW TO KEEP THE BLOOM ON THE BOOM

PAGE 42

Where the welfare state runs wild
Should Uncle share the wealth?
Make the most of your weaknesses



Money-saving Kentile Architectural Marbles Vinyl Asbestos Tile. Sizes: 12" x 12" and 9" x 9" in $\frac{1}{4}$ " thickness; also 9" x 9" in $\frac{3}{32}$ " thickness. Colors: 9. Greaseproof. Your Kentile® Dealer? See the Yellow Pages under "Floors"—or your architect, builder, or interior designer.

This Kentile floor will look just as good 15 years from now.

KENTILE
VINYL TILE
FLOORS

In fact, most installations of Architectural Marbles Vinyl Asbestos Tile look great for 20 or more years! Withstands heaviest commercial traffic—because the design runs through the *full* thickness of each tile, can't be worn off. Quiet and comfortable underfoot, quick and easy to clean.



You're looking at two of the most surprised men in Philadelphia

At right is Bell System Communications Consultant Hank Marron.

He told Herbert Barnett, Vice President of Sidco Paper, that the planned use of the telephone would increase Sidco's sales.

"But I had no idea their sales would shoot up 300 percent! Even if I had, I wouldn't have dared say it," says surprised Hank Marron.

Hank helped train Sidco salesmen in a well-defined PHONE POWER program—a program that

lets one hardworking salesman cover as much ground as four.

Then, with little footwork and much phone work, Sidco salesmen began supplementing personal visits with phone calls, answering inquiries, screening prospects, following up leads and opening new accounts.

These are just some of the ways Sidco uses PHONE POWER to save time, make more contacts and sell a great deal more paper.

"Would we have believed an increase of 300 percent—due largely to using the phone? You bet your life we wouldn't. But we believe it now," says Herbert Barnett.

Such a program could surprise you, too. Why not let a Bell System Communications Consultant talk to you about the ways your company can use PHONE POWER on a planned basis for more sales, larger profits? Just call today for an appointment.



AT&T
and Associated Companies

Nation's Business

April 1967 Vol. 55 No. 4

Published by the Chamber of Commerce of the United States
The national federation of organizations representing
4,750,000 companies and professional and business men
Washington, D.C.

-
- Russell, Jack*
7 WASHINGTON: A LOOK AHEAD
Blunt answers on business issues before Congress; Walter Reuther's day dream; obsolete policies down on the farm
- Costello, John*
16 EXECUTIVE TRENDS: New management tactics
Fewer rules, more adult treatment of employees, pay off; how salesmen win promotions; getting them in on the action
- Lesage, Peter*
23 WASHINGTON MOOD: Political feuds abound
LBJ and Bobby Kennedy don't reach for their pistols but they're feuding in the best tradition of Burr and Hamilton
- Murphy, Dr. Felix*
27 STATE OF THE NATION: A look ahead in education
American school system will undergo major changes in the next 50 years, but computers won't replace the liberal arts
- Sypher, Alden D.*
31 RIGHT OR WRONG: They spread it around
This special message to Congress from President Johnson is choice gift box offering better health and even life itself
- O'Neill, Jeffrey S.*
35 Should Uncle share the wealth?
State and local fiscal bind, mess in federal grants-in-aid fuel the drive for sharing the U.S. tax take without strings
- Saphey, Sterling*
38 Where the welfare state runs wild
Uruguay shows how once proud nation is going down drain because it believed the welfare state promised everything
- Gulan, Robert*
40 Will Washington ruin your pension plan?
New laws, regulations coming to a head could hurt private pension plan system which has thrived in relative freedom
- Gulan, Robert*
42 How to keep the bloom on the boom
Latest quarterly Nation's Business survey gives forecast for sales, profits, employment, as top executives see them

McCullum, L. F. (W.M.)

47 LESSONS OF LEADERSHIP: Growth with imagination

L. F. McCullum tells how he turned Continental Oil Co. into an international giant, operating on all six continents

O'Neill, Jeffrey S

48 BUSINESS: A LOOK AHEAD

Air pollution damage to crops studied; need for farm credit soars; glass is tested as material for underseas structures

Louviere, Vernon

50 Why pump prime a gushing economy?

How free enterprise moved into West Virginia and showed that Washington's helping hand doesn't hold all the answers

Deitch

62 Nine unknowns who influence your business

Working in shadow of policy makers, these federal career officials exert wide influence in full sweep of government

Uwe

74 Make the most of your weaknesses

No one is good at everything; here's how to develop your weak skills and use your strong ones to the best advantage

Martin, Wilbur

90 The employees who got a second chance

Prisoners working in private industry able to help families get off public relief rolls and build nest eggs for the future

Trussell, Tait

104 Second thoughts

If the principle of home rule and local initiative is to be urged by the Administration, shouldn't it apply to any city?

Nation's Business is published monthly at 1615 H St. N.W., Washington, D. C. 20006. Subscription rates: United States and possessions \$19.75 for three years; other countries \$10 a year. Printed in U.S.A. Second class postage paid at Washington, D. C., and at additional mailing offices. © 1967 by Nation's Business—the Chamber of Commerce of the United States. All rights reserved. Nation's Business is available by subscription only. Postmaster: please send form 3579 to 1615 H Street, N.W., Washington, D. C. 20006

Editorial Headquarters—1615 H Street N. W., Washington, D. C. 20006

Advertising Headquarters—711 Third Avenue, New York, N. Y. 10017

Circulation Headquarters—1615 H Street N. W., Washington, D. C. 20006



Editor
Jack Wooldridge

Managing Editor
Tait Trussell

Associate Editors
Jeffrey S. O'Neill
Walter Wingo
John Costello
Robert W. Ireland
Vernon Louviere
Sterling G. Slappey
Wilbur Martin

Contributing Columnists
Felix Morley
Peter Lisagor
Alden H. Sypher

Art Director
Ralph Patterson
Associates
Harold Baskin
Norman W. Favin
Joseph W. Swanson
Adm. Assistant
Mary W. Davis

Business Manager
William W. Owens

Advertising Director
Herman C. Sturm

Field Sales Director
Arnold F. Dardwin

Production Manager
W. Lee Hammer



“Follow the leader” is a popular

And here are just a few good reasons why the **Business Owner's Policy** of The Home Insurance Company often gets imitated but always remains a leader!

- For years now, the **Business Owner's Policy** has saved countless retailers, wholesalers and service organizations hundreds . . . even thousands . . . of dollars by packaging coverages into a single contract. (We have scores of testimonials attesting to that fact—you've seen many of them in this magazine.)
- This *one policy* offers a combination of physical damage protection for building and for contents, crime loss coverage—protection against the

risks you want covered, without having to pay for coverage you don't need!

- A unique flexibility provides for the special needs of each type of business and each *individual* business. Through options and extensions, the **Business Owner's Policy** is tailored the way *you* want it . . . in effect, it becomes *your own special policy*!
- The Home is constantly improving the **Business Owner's Policy**. As a policyholder, you benefit from any changes which broaden basic coverage or extensions where additional premiums are not involved. Your policy *automatically* reflects the newest improvements!



game in business insurance, too!

- The *Business Owner's Policy* provides business interruption insurance in the same contract. No separate policy or premium!
- The *Business Owner's Policy* is sold by an independent agent and is backed by The Home Insurance Company, famous since 1853 for fast, fair claim service!

Now you know why the exclusive *Business Owner's Policy* sets the pace. Before you "shop" for business insurance, we suggest you check the leader first — talk to your local Home agent — he's in the Yellow Pages.

Policy now available in most states.



The **HOME** *Insurance Company*

59 MAIDEN LANE, NEW YORK, N. Y. 10008

Affiliates: The Home Indemnity Company • Peoples Home Life Insurance Company of Indiana

New York Life

statement of condition



1966 was another year of progress and growth at New York Life. Both payments to policy owners and earnings on investments showed an increase. Our individual life insurance sales set an all-time company record. And our total assets rose to a new high, exceeding \$9 billion. By allocating a record sum for the payment of dividends, we're currently providing millions of our policy owners with life insurance at the lowest cost in our 122-year history. As always, we look ahead with confidence to the challenges and opportunities of the future.

DECEMBER 31, 1966

Prepared from the Annual Statement filed with the New York State Insurance Department

ASSETS

BONDS:

United States Government..	\$ 130,340,112
State, Municipal, Authority and other government...	199,579,515
Railroad.....	231,915,704
Public utility.....	1,244,219,445
Industrial and other.....	2,670,087,623
	<u>4,476,142,399</u>

STOCKS:

Preferred and guaranteed..	326,272,786
Common.....	308,036,622
	<u>634,309,408</u>

FIRST MORTGAGES ON REAL ESTATE:

Insured and guaranteed...	1,020,887,877
Conventional loans.....	1,562,386,420
	<u>2,583,274,297</u>

REAL ESTATE:

Properties for Company use	47,291,496
Rental housing and business properties.....	304,040,980
	<u>351,332,476</u>

MINERAL INTERESTS.....	39,128,989
LOANS ON POLICIES.....	786,889,423
CASH.....	40,026,393
DEFERRED AND UNCOLLECTED PREMIUMS.....	171,417,504
INVESTMENT INCOME DUE AND ACCRUED AND OTHER ASSETS	86,579,928

TOTAL ASSETS \$ 9,169,100,817

LIABILITIES

POLICY RESERVES..... \$ 6,752,472,253

These reserves are required, together with future premiums and interest, to assure payment of future benefits to policy owners and beneficiaries.

POLICY PROCEEDS LEFT WITH COMPANY AT INTEREST..... 379,862,084

DIVIDENDS LEFT WITH COMPANY AT INTEREST..... 786,184,566

PROVISION FOR DIVIDENDS PAYABLE TO POLICY OWNERS IN 1967..... 233,322,443

PREMIUMS RECEIVED IN ADVANCE..... 57,018,919

POLICY CLAIMS..... 56,738,328

Benefits in course of settlement and provision for claims not reported.

MANDATORY SECURITIES VALUATION RESERVE..... 182,245,512

TAXES—FEDERAL, STATE AND OTHER..... 28,744,605

OTHER LIABILITIES..... 73,892,325

8,550,481,035

SURPLUS

SPECIAL SURPLUS—GROUP LIFE CONTINGENCY RESERVE..... 6,600,000

UNASSIGNED SURPLUS..... 612,019,782

618,619,782

TOTAL LIABILITIES AND SURPLUS \$ 9,169,100,817

BOARD OF DIRECTORS

ELLIOTT V. BELL
Chairman of the Executive Committee
McGraw-Hill, Inc.

JOHN M. BUDD
President
Great Northern Railway Company

CHARLES A. CANNON
Chairman of the Board
Cannon Mills Company

CHARLES A. COOLIDGE
Ropes & Gray

CHARLES D. DICKEY
Chairman, Directors Advisory Council
Morgan Guaranty Trust Company of New York

UDLEY DOWELL
President

FREDRICK M. EATON
Shearman & Sterling

ALFRED M. GRUENTHER
General, U.S. Army (Ret.)
Former President
American National Red Cross

KENNETH H. HANNAN
Executive Vice President
Union Carbide Corporation

PAUL G. HOFFMAN
Administrator, United Nations
Development Programme

JOHN B. HOLLISTER
Taft, Stettinius & Hollister

ARTHUR A. HOUGHTON, JR.
President, Steuben Glass

DEVEREUX C. JOSEPHS
Trustee and Corporate Director

ROBERT A. LOVETT
Brown Brothers Harriman & Co.

STANLEY MARCUS
President, Neiman-Marcus Company

KATHARINE E. MCBRIDE
President, Bryn Mawr College

CLARENCE J. MYERS
Trustee and Corporate Director

RICHARD K. PAYNTER, JR.
Chairman of the Board

RICHARD S. PERKINS
Chairman of the Executive Committee
First National City Bank

WILLIAM S. RENCHARD
Chairman
Chemical Bank New York Trust Company

FRANK STANTON
President
Columbia Broadcasting System, Inc.

JOHN P. STEVENS, JR.
Director, J. P. Stevens & Co., Inc.

MARK R. SULLIVAN
Former President
Pacific Telephone & Telegraph Company

J. HARRIS WARD
Chairman
Commonwealth Edison Company

Bonds subject to amortization under the provisions of New York State Insurance Law are stated at their amortized values. Income bonds and preferred stocks in "Good Standing" are valued at cost in accordance with the National Association of Insurance Commissioners Valuation Procedures, and all other bonds and stocks are at market value. Real Estate is stated at cost less accumulated depreciation. Bonds valued at \$94,779,180 at December 31, 1966 are deposited with Governments and States as required by law.

New York Life

INSURANCE COMPANY | 51 Madison Avenue, New York, New York 10010
A MUTUAL COMPANY FOUNDED IN 1845

WASHINGTON: A LOOK AHEAD

Worrisome questions business puzzles over.

Blunt answers as we see them:

Will there be a tax increase?

No, unless war gets worse.

Will Congress cut spending?

Yes, but with more snipping than chopping.

What will Congress do about crime?

Pass an even tougher bill than LBJ asked.

How about a new civil rights law?

Not this year. Administration killed its chances by including open housing provisions. Higher postal rates?

Afraid so.

Consumer legislation?

Yes, with accent on safety.

What will be done about the draft?

Take in younger men, but not by lottery.

Any drive to kill right-to-work law?

Not this year.

More social security taxes?

But of course. Lawmakers can hardly wait to increase the benefits. This naturally means higher payroll taxes.

More Congressional ethics rules?

Well, yes. But man has yet to legislate purity.

Picture a giant new labor federation of 1.8 million Teamsters, 1.3 million Auto Workers, one million Steelworkers and the 900,000 Machinists. Now picture them all under Auto Workers' president, flammable liberal Walter Reuther.

You've just glimpsed Reuther's favorite daydream.

Failing in his own 11-year campaign to take over AFL-CIO, Reuther will keep eager eyes on internal power struggle in Teamsters Union.

With Hoffa in the clink, Reuther may well pull strings to put one of his friends, maybe Harold Gibbons of St. Louis, at Teamsters' helm.

Then Reuther would move to align his Auto Workers, largest union in AFL-CIO, with Teamsters, largest union in the land. Next step: Entice more unions from the AFL-CIO. Thus Reuther would become Mr. Big of organized labor.

But: Hoffa's handpicked successor, Frank Fitzsimmons, may prove stronger than thought.



Reuther

Instead of handing the Teamsters over to Reuther, he probably will steer them back into AFL-CIO harbor and the arms of Reuther's arch-rival, George Meany. Results: Meany bigger than ever, Reuther further shrivels in stature.

LBJ's plan to merge Departments of Commerce and Labor isn't dead despite Johnson's postponement and union opposition.

Department of Transportation, even Housing and Urban Development and Health, Education and Welfare Departments, had support from many sides, particularly organized labor.

AFL-CIO boss Meany, however, wants unions to keep their own ears and mouth in the Administration, a special interest department staffed at top with unionists.

For almost any function or agency intended to be lumped into new proposed Department of Economic Affairs, staunch defenders abound.

Others wonder why in an ever more industrial age we should combine Commerce and Labor and still keep Agriculture as a full Cabinet department.

But some much-compromised conglomeration seems inevitable. Government organization has never been a static thing.

In fact, new federal department, beyond any

WASHINGTON: A LOOK AHEAD

marriage of Commerce and Labor, already can be dimly seen.

It could be a Department of Science and Technology. Its core would be fast-growing Environmental Science Services Administration, set up less than two years ago.

ESSA is now part of Commerce Department. It could expand to take in NASA, parts of Interior Department, Defense Department, and others.

Why? Because a major thrust of mankind is to gain more control over his environment. Government support and control tends to follow and reflect such trends.



Freeman

A farm revolt may get under way this year, with billions in tax money at stake.

The thought of it apparently shot a chill through Agriculture Secretary Orville Freeman. He

convened a National Farm Policy Conference to try to bolster support for outworn federal farm policies.

Reason for Freeman fretting: Farmers and everybody else begin to wonder why the Administration plans to pay farmers more than \$2 billion this year to restrict grain production while drastic shortages develop in U. S. and a hungry world.

Shrinking government stocks of wheat and feed grains due to record exports and increased use at home, could cut Freeman's ability to depress market prices.

Savings-minded lawmakers, to avoid raising taxes, might lop off appropriations for government payments to farmers proving they're an unreliable substitute for freer market prices.

American Farm Bureau is demanding a return to free market for grain prices, repeal of grain programs.

G.O.P. farm leaders are denouncing the programs with their price props, acreage restric-

tions and pay-outs, though law is supposed to run till 1969 as it's now written. Farmers in recent years have been shunning federal supply-management schemes. They thumbed down a plan to bring turkeys under national marketing order in '62 and refused a wheat certificate plan in '63. Burley tobacco growers sneered at restriction proposal in '66. Less than half the producers string along with the voluntary feed grain program.

Farmers wish Secretary Freeman would concentrate less on depression-born farm controls and more on the now critical shortage of farm labor, problems of new minimum wage in agriculture, heavy imports of dairy products and the fees charged by Europeans that block American farm exports to that continent.

All this is in addition to gripes about low farm prices and drama of milk dumping.

Refusal of farmers to sign up for 1967 feed grain program would save subsidies, could signal Congress to think about getting rid of outmoded programs.

Lots of farmers are hooked on the subsidies. Direct federal payments have become a feature of wool, cotton, sugar, as well as feed grain and wheat programs.

Also network of Agriculture Department bureaucrats and supporters throughout the country preaches centralized farm management.

Even so, farmers make up only about six per cent of population now. And even those who cling to obsolete programs of control can't always continue to be tail that wags the Congressional dog on farm matters.

Summit meeting of American presidents in Uruguay this month will be much-needed feather in Lyndon Johnson's international cap.

President pressed for the meeting to boost his reputation as foreign affairs man. Bob Kennedy has been scoring too many points from Paris, London, South Africa and other foreign places recently. Nixon also has been off and running world-wide.

*3M is out to
organize your
business meetings.*

*And they've
asked us to help.*

Our friends at 3M tell us they had so many compliments on the way they ran their meetings that people began to ask if 3M stood for mining, manufacturing, and meeting company. They decided to capitalize on their unique experience and develop a system for making *meetings* as efficient as every other phase of a business operation.

3M calls their new program "Business Meeting Service." It amounts to a post-graduate course in organizing a business meeting. Any *kind* of business meeting for any *size* business.

Since travel consultation is an important part of the 3M program, United was pleased to be selected as its official airline. Subscribers can call on us for advice on getting people to and from meetings anywhere. We'll be glad to take care of all the ticketing, reservations, and help you transport exhibits swiftly and safely.

Find out how 3M's new service can work for you. Write to:
3M Company
Visual Products Division
Box 3344, Dept. NB-4, St. Paul, Minn. 55101

"We have fewer meetings now,
but we're enjoying 'em more."



*fly the
friendly skies
of
United.*

Employing the unemployable

To the Editor:

I wish to commend you for your January article, "How Business Employs the Unemployable."

As you properly point out, private industry does have a major role in the national effort to provide meaningful employment for the disadvantaged.

It also, of course, bears the prime responsibility to our society for training its employees.

The role of government is, first, to assure that employment opportunities are open to all who want to work and, second, to assist with the training of workers where private industry cannot do the job alone.

By working together, industry and government will attain the national objective of full employment.

I would like to point out that many of the fine job development programs you cite in your article owe their success to joint private industry-federal government efforts:

- The Aerojet-General subsidiary, Watts Manufacturing Co., which is making tents for the Defense Department and providing jobs for Watts area residents, has a contract with the Department of Labor for \$28,000 to provide on-the-job training for these workers.
- The Philadelphia Opportunity Industrialization Center was supported by over \$500,000 of federal funds by the Department of Labor. The OIC Institute, which is providing technical assistance to new community OIC programs in eight cities, is also supported by federal funds from the Department of Labor and the Office of Economic Opportunity.
- Financing for the Opportunities Industrial Center in East Palo Alto has not been provided by the 12 electronics firms in San Francisco alone. The federal government has put in \$1,656,734 to support this program with the Department of Labor and the Office of Economic Opportunity sharing the cost.
- The California State Employment

Service operating from its new office in Watts in Los Angeles has established close cooperative working relationships with Mr. McClellan's Management Council for Merit Employment.

The California State Employment Service has recruited and referred hundreds of disadvantaged Negroes who are being placed in the jobs opened up through the efforts of the council.

• Plans for Progress programs throughout the country are indeed opening new job opportunities for Negroes and other disadvantaged workers. This is a program which the federal government supports wholeheartedly, not with words alone.

Vice President Humphrey, Secretary of Labor W. Willard Wirtz and Director of the Export-Import Bank, Hobart Taylor Jr., serve as members of the Plans for Progress Advisory Council. The Vice President, serving with Plans for Progress, organized a Task Force on Youth Motivation, involving over 200 industry executives.

And Vocational Guidance Institutes under Plans for Progress have been supported, in part, by funds from the Economic Development Administration, the Department of Health, Education and Welfare and

the Office of Economic Opportunity.

I certainly have no wish to belittle the efforts of private industry in manpower training efforts. But I think that it would be unfair to leave your readers with the impression that government and industry were in some sort of competition with each other in meeting the employment problems of the disadvantaged.

As the record above shows, we are not only *not* in competition; we are already working together "quietly, but successfully."

STANLEY H. RUTTENBERG
Assistant Secretary and
Manpower Administrator
U. S. Department of Labor
Washington, D.C.

Sorry, our error

To the Editor:

Your interesting article on Monday holidays [February] correctly



The right Ernest Henderson III

quotes Sheraton Corp. President Ernest Henderson III's thoughts on this subject.

However, the photo you ran and identified as Sheraton's president

CHANGING YOUR ADDRESS?

Please attach the address label from your Nation's Business cover in this space, print your new address below, and mail this form to Nation's Business. Important: Allow five weeks for address change.

Nation's Business, 1615 H Street, N. W., Washington, D. C. 20006

Name _____

Co. Name _____

Address _____

City _____ State _____ Zip Code _____

Whenever you write us about your subscription, please include address label for prompt service.

To turn browsing into buying... 3M Background Music Sells!

Big stores have long known that background music increases sales. Now any store, regardless of size, can afford the 3M Background Music system.

The 3M Brand "Cantata" 700 gives you everything—equipment and full music playing rights—for a total price of about the same as one month's salary for an experienced secretary. There's no lease, no unending monthly payments. The 3M Background Music system is compact and completely automatic. A variety of music libraries is available—to help create the exact mood you need.



Mail coupon below for a 3M Background Music demonstration in your store, or call your nearest 3M Business Products Center. No obligation.

Name

Firm

Address

Phone

City State Zip

Mail to: 3M Background Music, Dept. ZAS-47, 2501 Hudson Road, St. Paul, Minnesota 55119.

Background Music **3M**
COMPANY



3M
COMPANY

Skitch Henderson, noted music composer, director and performer.



Find a chuck hole. Make sure it's a mean one. Then drive our new GMC Handi-Van across it. Test how much more stable our ride is. When we built our new, bigger van, we didn't give in to the temptation of tacking on more metal

back of the rear axle. And we didn't try to fool you by stretching out the body. Instead, we engineered a brand new van with a longer 108" wheelbase. This gives you better weight distribution over both front and rear axles.

If you think vans are pretty one on a road like this.



MARK OF EXCELLENCE



(When we say a name makes a difference we mean it. And the smoother ride proves it.) Another point. Now you can get a V-8 engine with 175 horses for that extra power when hauling heavy loads. With all these features, you'd expect

to pay a lot more for a GMC. Fact is all vans are priced within a few dollars of each other. Visit your GMC Truck dealer. He'll show you the difference a GMC can make to your profits. And to your old ideas about vans, to boot.

much alike, drive our new



The Truck and Coach Division of General Motors

GMC

What a difference a name makes



Don't try this with any other motor in the 10 hp class

We've spilled a lot of coffee trying to do this on other motors. And that includes our own last year's Sportwin.

You probably wouldn't buy a motor just to park a coffee cup on. But it does show how smooth this new 9½ hp Sportwin is.

Here are a few reasons why the Sportwin has become the best-seller in the fishing motor field.

It's compact — only 34" top to prop. You can work a lure or play a fish right over it

without lifting your rod. It's short enough to tuck easily into a compact car trunk.

In spite of its size, it's hefty enough to plane a load of three at a 20-mile clip.

It has 16 quick-adjust tilt positions — 8 for running in weeds, shoals, or shallows.

It's deluxe all the way — full gearshift, slip-clutch propeller, long-range fuel tank — and fully sound-sealed.

It's so quiet you can hear the coffee gurgle as you pour it.

EVINRUDE

first in outboards

In Canada: Peterborough, Ont.
Div. of Outboard Marine Corp.

See the Sportwin and other fishing motors at your Evinrude dealer. He's listed in the Yellow Pages under "Outboard Motors." Send the coupon for free Evinrude motor and boat catalog.

EVINRUDE MOTORS, 4041 N. 27th Street
Milwaukee, Wisconsin 53216
Please send free 1967 Evinrude motor and boat catalog.

Name.....
Address.....
City.....State.....Zip.....

Business opinion:

was of Ernest Henderson Sr., Sheraton's chairman of the board.

He is another hotel man in favor of Monday holidays.

PHILLIP D. SHEA
Vice President Public Relations
Sheraton Corp. of America
Boston, Mass.

Credit unions: pro and con

To the Editor:

"Washington Hides Truth in Lending" [February] was an excellent article.

Credit union programs can do a vital job in a poverty area, as long as the common bond isn't breached. But the public should be educated to the fact that credit unions have no federal deposit insurance guarantee and do not have to adhere to strict regulations as commercial banks do.

DON B. HANKS
Assistant Cashier
The Midland National Bank
Midland, Tex.

To the Editor:

I read your credit union article with mixed emotions. The mixture was one part anger and nine parts amazement.

I've worked in a credit union for 17 years, and I find your article is full of distortions and half-truths.

A man—or a movement—cannot, and should not, be condemned without a chance for defense.

ROBERT D. VREELAND
Manager
Telephone Employees Credit Union
Detroit, Mich.

Post Office vs. GM

To the Editor:

Re: U. S. Post Office.

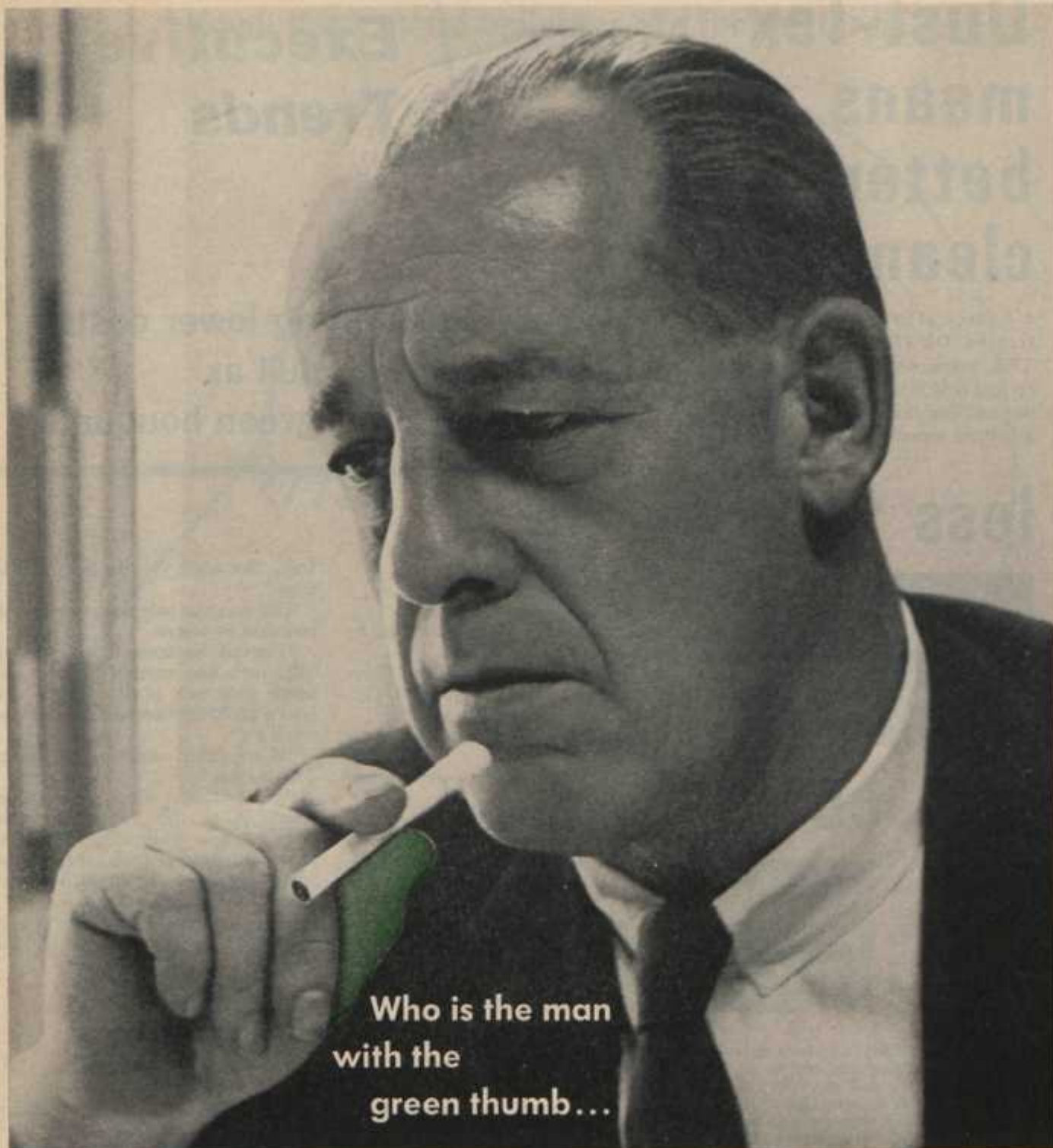
On page seven of the February issue you said: "The Post Office Department alone has more employees than the largest private corporate job-maker—General Motors Corp."

Then on page 31: "The Post Office Department never has had more people to do the work. Only AT&T and General Motors have more employees."

What happened between pages seven and 31? Did the Post Office discharge enough help to undercut General Motors?

ROBERT S. HOROWITZ
Port Washington, N.Y.

Editor's Note: As of the end of 1966, the Post Office Department had 716,096 employees. That's more than AT&T (650,800) and General Motors (558,000) have in the United States. However, GM has more employees (745,400) than the Post Office if you count those working at GM plants abroad.



**Who is the man
with the
green thumb...**

**This is Don Kidd,
and his business is
to help your business
grow.**

Boston-based, Don Kidd has been with CIT since '35, serving areas filled with many types of manufacturing plants. Shrewd New Englanders look upon Don as a "native" and frequently call on him for accounts receivable and inventory financing, as well as funds for new plants and equipment. Don has the green-thumb touch. He's typical of CIT regional vice presidents in 27 offices, coast-to-coast... each a specialist in growth financing. To learn how they can help you, send today for our FINANCING IDEA BOOK. Write Mr. H. A. Post, Asst. V.P., CIT Corporation, 650 Madison Avenue, New York, N.Y. 10022. No obligation.

One of the **CIT** companies

C.I.T. CORPORATION—A SUBSIDIARY OF C.I.T. FINANCIAL CORPORATION • IN CANADA: CANADIAN ACCEPTANCE CORP., LTD.
Installment Purchasing • Equipment and Vehicle Fleet Leasing • Capital Loans • Accounts Receivable & Inventory Financing • Sale & Leaseback • Rediscounting

Dust-Tex means better cleaning

Chemically-treated DUST-TEX mops pick up and hold more dirt and dust than all others tested!



less time



70% of all dirt and grit enters your building on people's shoes. A DUST-TEX entry carpet stops it at your door!

less cost!

DUST-TEX treated cloths collect and hold more dust. Cleans dry and leaves no oily film to attract new dust.



These superior DUST-TEX cleaning tools can cut your maintenance cost by 33%! Floors stay brighter and wax lasts longer. Regardless of your business type and size, regular DUST-TEX service can save you money. Free details at no obligation.



GIVE IT A TRY—
NOTHING TO BUY

DUST-TEX COMPANY
DIVISION OF AMERICAN UNIFORM CO.
P. O. Box 1072, Cleveland, Tenn. 37311

Please send information on how to cut my cleaning maintenance cost by up to 33%.

Name _____
Address _____
City _____
State _____ Zip _____

Executive Trends

- Fewer rules bring lower costs
- Can't sell with dull ax
- Red brickbats, green bouquets

New management tack pays off

Like to trim your payroll costs by 30 per cent?

Olin Mathieson Chemical Corp. did at its \$14 million Augusta, Ga., plant. How? Employees there:

- Keep their own record of hours worked.
- Work under as few rules as possible.
- Have no gate shakedowns, no disciplinary demotions or suspensions—and no supervision, except on the day shift.

How does it work out?

Absenteeism and tardiness rates are low; disciplinary cases few; output high, says Gus Henrich, director of production, chemicals group, inorganic chemicals division.

"We're able to run the entire plant, which turns out 980 tons of chlorine caustic soda daily, with 30 per cent fewer people than we needed at an identical plant built two years earlier."

What's the secret?

"A liberal management philosophy," Mr. Henrich says, "based on broad delegation of authority, management by results, reliance on individual self-realization." In other words—trust.

Tip for salesmen —how to get promoted

"You get paid for what you do from nine to five," a sales expert and research psychologist says.

"But you get promoted," adds Dr. Herb True, senior partner, True-Klemp Organization, South Bend,

Ind., "for what you do from five to nine."

The amateur salesman never realizes this, he states.

"Instead, he draws a 9:00 a.m. to 5:00 p.m. line around his job and never gets out of it. That's the boss's time, he figures, and the rest is his own.

"When they overlap, he wants double time."

By contrast, Dr. True says, speaking at the Sales Executive Club of New York City, "the real pro goes to spring training time and again—on his own time—to study, relearn and improve his skills.

"The amateur is so busy chopping wood, he forgets to sharpen his ax."

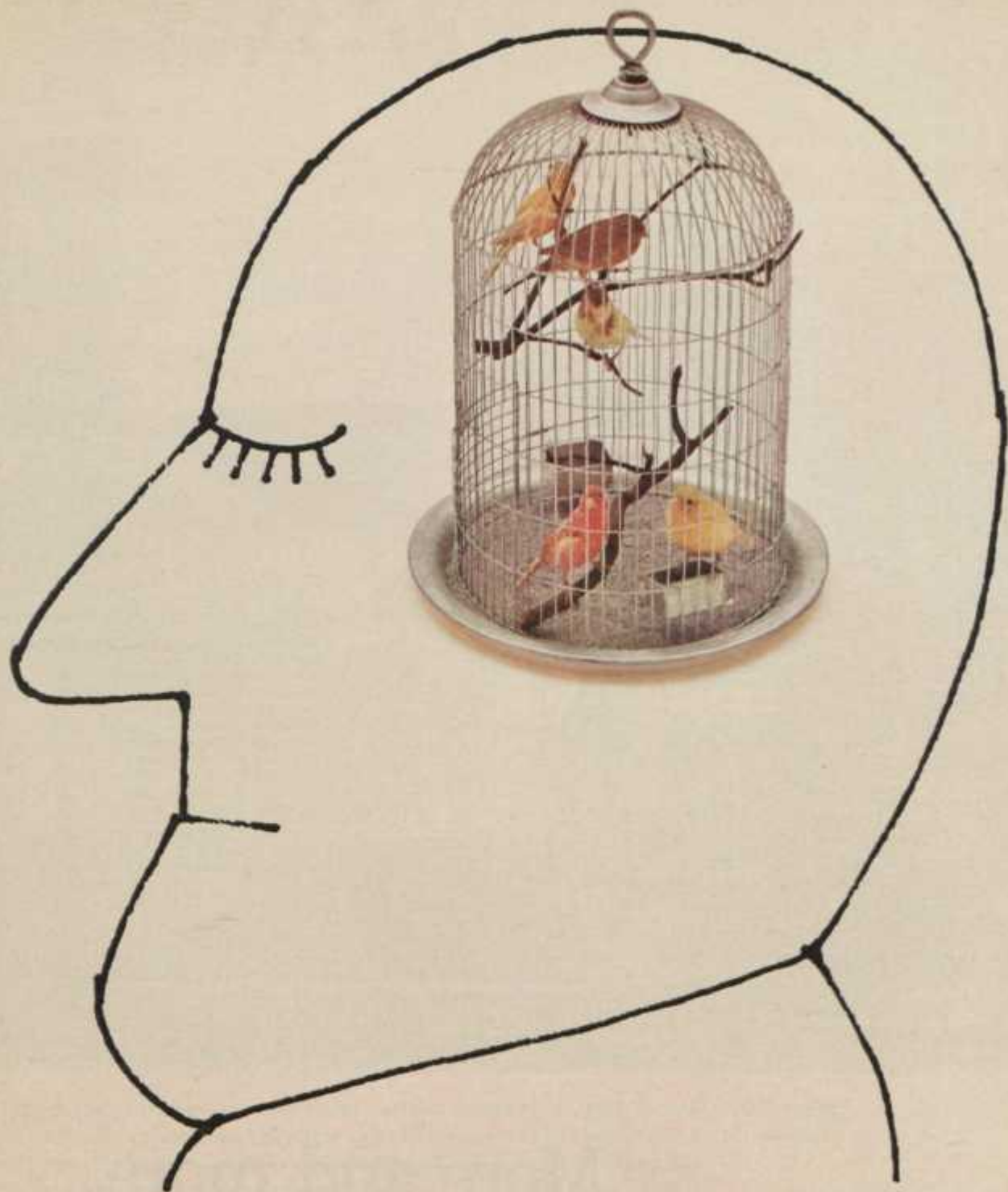
Stripping the veil from market research

1. The Case of the Invisible Market.
2. The Case of the Secret Consumer.

Agatha Christie chillers? No, they're examples of typical errors made in the use of marketing research, says Robert E. Riordan, director of marketing information, Falstaff Brewing Corp. Here's what happened in two companies he knows of:

1. A firm spent \$11 million on R&D and tooling up, then found the total annual market for its new product—a car telephone—too tiny to justify its investment.
2. A baby food producer discovered oldsters buying loads of its nutritious product. About to embark on a splashy promotion plan to sell

If you think metal buildings are for the birds,



think again.

Years ago, a metal building wasn't much more than a shelter thrown up to protect somebody's equipment or chickens.

But Butler changed all that.

So today a metal building can be an office. Or a factory. An automobile showroom. A bowling alley. Even a country club, like this one. In fact, a Butler building can be most anything you want it to be.

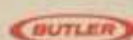
You see, we made metal buildings livable. You might shop in, work in, or play in a Butler building without ever realizing it. Not that our buildings try to be something they're not. They're still pre-engineered. Instead of being built brick-by-brick, they're assembled from an



endless variety of structural and wall systems.

A Butler building is everything a building should be. Beautiful. Comfortable. Efficient. And the amazing thing is, it still costs less than other ways to build. That's why so many companies are switching to Butler buildings.

But don't take our word for it. Write us direct, or find a Butler Builder in your Yellow Pages. Let him show you a Butler building in your neighborhood. We think you'll discover they aren't for the birds. They're for people.



SALES OFFICES AND DEALERS NATIONWIDE
BUTLER MANUFACTURING COMPANY
3894 EAST 13TH STREET, KANSAS CITY, MISSOURI 64124

MANUFACTURERS OF METAL BUILDINGS • PLASTIC PANELS • EQUIPMENT FOR FARMING,
TRANSPORTATION, RULX STORAGE, OUTDOOR ADVERTISING, CONTRACT MANUFACTURE



More and more
medium-heavy
are turning our way

AVA FASHIONS

SAS



The bigger the cities get, the less room there is to get your loads in and out of them.

That's why we introduced the short cab conventional INTERNATIONAL LOADSTAR® six years ago. Wide-track axles, short wheelbases and a tight turning circle have made it so maneuverable that now—six years later—our competition is turning our way.


But now we've given our LOADSTAR a city-bred diesel. Our new DV-462 acts like a gas engine. No more "diesel roar." It even hitches up to a standard gas engine drive train. And you save a third on fuel every mile you drive.

If you work inside the city limits, turn to an International Dealer for a diesel LOADSTAR—it costs much less than you might expect. International Harvester Company, Chicago, Illinois 60611.

IH INTERNATIONAL TRUCKS



"Build a truck to do a job—change it only to do it better"



Uptime.
(It takes more than a binful of spare parts.)

Uptime means performance. A minimum of downtime. Keeping the paperwork flowing.

At Olivetti Underwood, we make it our business to keep your business humming.

Our new Guaranteed Machine Performance Agreement for Olivetti Underwood equipment means peak performance. Maximum uptime. Service only a manufacturer can provide. At a price

only a manufacturer can afford.

Our service is total.

Regular inspections by professionally trained technicians. (We train all of ours, and we keep them trained.) Personal service at 1100 locations—more than any other office machine manufacturer. Replacement of worn parts with *new* parts, including rubber platens and the like. Cleaning, lubrication, and adjustments. Shop repairs and

overhauls. And machine loans if yours must go to the shop.

Simply put, we unconditionally guarantee to keep your Olivetti Underwood machines at top efficiency for a flat rate. No hidden charges. You get only one invoice a year. Nor do you need to worry about the fine print in the agreement. It has none.



olivetti underwood

EXECUTIVE TRENDS

continued

more pap to Pops, it found he'd much rather buy on the sly.

Want to avoid boo-boos in the use of this valuable management tool? He suggests:

- A high place for market research on your organizational totem pole.
- A hard look at consumers' wants, as well as at the firm's wishes.
- Getting market research in on the takeoff, not the crash landing.

Making employees customer-conscious

A red light signals a special kind of peril at Ex-Cell-O Corp.

At this Detroit tool maker's plant, a red light means an order has been lost. Also that the customer who canceled has fired off an angry note—and a copy's pinned to the bulletin board for all to see.

Ex-Cell-O calls its program Operation Customer.

When a customer throws a bouquet, traffic signals set up throughout the shop and office area flash green. An amber light goes on when a customer gripes.

In every case, a copy of his letter is posted on the plant's bulletin boards. Thus, everyone, not just the president or sales manager, knows how Ex-Cell-O's products are being received.

Advantages? "Employees feel that they're included—that they're in on the action," Ex-Cell-O's Public Relations Director Ralph Charbeneau comments.

Results? In the first 100 days, a 20 per cent drop in scrapped or reworked products in one division, a 30 per cent hike in its orders.

Big role ahead for business colleges

What should the collegiate business school be doing?

Plenty, a bevy of blue-chip experts told the golden jubilee meeting of the American Association of Collegiate Schools of Business. It should:

- Provide continuing, career-long training for executives, says IBM's Director of Educational Affairs, Dr. Ormsbee W. Robinson.
- Dispel the "trade school" image, and reveal to today's bright young men the excitement and opportunity a corporate career now offers, urges Bank of America President Rudolph A. Peterson.
- Educate broad-gauge thinkers, as

well as needed specialists, suggests Oscar Lubow, senior vice president in charge of corporate development, Young & Rubicam, Inc.

Their views, and others, are in the 111-page Proceedings of AACSB's golden jubilee meeting now available at \$1.75 a copy.

How to break a tough sound barrier

Dowd, Edw L atty 314 N Bway MA 1-2500
Residence 6236 Fauquier PA 5-5858
Children's Teleph 6236 Fauquier PA 5-1563

That's how one St. Louis attorney lists his home phone, plus a private line for the youngsters.

A new, low-cost status symbol?

Not at all, the lawyer reports.

"We've got teen-age kids, and it's the only way to beat the rap.

"I can't afford to have my home phone tied up with schoolgirl chatter. I'd lose too much business, alienate too many clients."

Barrister Dowd, it turns out, has lots of company.

Other phone companies report more and more sales of separate, home-phone listings—one for Mom and Pop, one for the kiddies.

Might try it, if you can't break the sound barrier. The sound, that is, of children's voices, chattering endlessly over the family phone.

Want to cut costs? Try UMS

Ben Franklin was right.

A penny saved is a penny earned.

H. B. Maynard & Co., Inc., not only agrees. This Pittsburgh management firm goes a step further. Every \$1 you pare off maintenance costs, it says, equals the profit on \$25 of sales.

But there's a catch.

How long does it take to hook up a junction box—or polish a floor? Each job is different. Thus, maintenance is hard to measure and control. But it's not impossible, the firm says. Here's its system:

- Develop accurate, engineered, time standards for representative jobs in a number of time ranges—say 15 minutes, half an hour and up. Then rank in order like pigeon-holes.
- Using these "bench mark jobs," classify each work order in its proper time slot. You can then plan, schedule and measure performance by checking all jobs done during a pay period against hours worked.

The firm calls its method UMS—not U May Save—but Universal Maintenance Standards.



**Truck Leasing
OR RENTAL**
WE FURNISH EVERYTHING
BUT THE DRIVER

The Sign of men who know more about full-service truckleasing than anyone in the industry. One of them lives in your area.

Consult your **NATIONALEASE** man first... he is!

FREE! "LEXICON" and Visorfold Map
Spotting 250 NATIONALEASE Servicers.

RENT or LEASE a new CHEVROLET or other fine truck

A nationwide network of 250 locally owned facilities with national know-how.



Yellow Pages under "Truck Rental and Leasing"; White Pages under "National Leasing"—or write:

NATIONAL TRUCK LEASING SYSTEM
Serving principal cities of the United States and Canada
23 E. Jackson Blvd., Suite E-4, Chicago 60604

**every
Dunhill
franchise
owner
was once
in your seat...**

He was with a fair sized company. Had a position of responsibility—was considered a confirmed organization man. His earnings were comfortable—fringe benefits grew larger each year.

but...

Something was missing...the zing was gone. The challenge he once knew now became executive "clock-punching". He looked into other spots...then a business of his own. What was for him—Donuts? Custards? Transmissions? Personnel Service? Personnel Service...what name was meaningful? Who has his company used for middle management sales, administrative and technical openings? Dunhill! The only national personnel system using a computer!

Dunhill is a creative, professional personnel service, with offices in 37 major cities. Its owners are men like you who have put their talents and capital to work for themselves. Want to talk to people who were once in your seat?

Contact: Franchise Division Mgr.
(212) YU 6-5256




Dunhill PERSONNEL SYSTEM, INC.
20 East 46th Street, New York, N.Y. 10017
A NATIONAL COMPUTERIZED PERSONNEL SERVICE

Stockroom on wheels!



Your stockroom is as big as a catalog and as near as a Greyhound bus, when you specify Greyhound Package Express

Greyhound Package Express puts a warehouse at your fingertips. Gives you easy access to more different kinds of items than your shelf space could possibly accommodate. No matter what your customer wants—if it's in a catalog, you can get it for him fast by GPX. Your profits are boosted by a wider

choice of merchandise...while your capital investment is kept to a minimum. GPX shipments travel on regular Greyhound buses, running on fast, frequent passenger schedules. Very often, you get what your customers need in a matter of hours. Specify GPX for round-the-clock service. 7 days a week,

24 hours a day. Weekends and holidays, too! Choice of C.O.D., Collect, Prepaid, or GPX Charge Account. For complete information about service, rates and routes, call Greyhound, or write: Greyhound Package Express, Dept. 1-D, 10 South Riverside Plaza, Chicago, Illinois 60606.

It's there in hours and costs you less

For Example	Buses Daily	Running Time:	20 lbs.	30 lbs.	40 lbs.*
SAN FRANCISCO SACRAMENTO	32	1 hr. 40 min.	\$1.40	\$1.60	\$1.80
NEW ORLEANS MOBILE	14	3 hrs. 15 min.	2.05	2.35	2.70
PITTSBURGH CLEVELAND	12	2 hrs. 45 min.	2.00	2.25	2.65
DALLAS SAN ANTONIO	11	7 hrs. 15 min.	2.10	2.40	2.70

Rates subject to change. *Other low rates up to 100 lbs. Lot shipments, too.



One of a series of messages depicting another growing service of The Greyhound Corporation.

A bumper year for political feuds

BY PETER LISAGOR

The personal feud has been a hardy staple in American politics ever since the republic was founded. The politicians have abandoned pistols at dawn as a weapon ever since Aaron Burr dropped Alexander Hamilton with a fatal gunshot on a dueling field at Weehawken. And in these more genteel times, they have rinsed much of the sulphur out of their language.

But they're still at it. In fact, this may prove to be a bumper year for the sort of verbal wounds that lame a man's psyche if the prevailing animosities among members of both parties persist.

It is no secret in Washington that President Johnson and Sen. Robert F. Kennedy of New York maintain only the most fragile façade of civility. Beneath their surface correctness is a well of simmering suspicion which both men undoubtedly will try to keep capped in their own self-interest, not to mention the interests of the Democratic Party. Both are cool customers in a clutch; the danger of a public eruption comes from well meaning but less responsible associates of each who know the depth and volatility of the underlying antagonism.

Intense opposition to the war in Viet Nam has given the President some subsidiary foes in his party, but the level and intensity of their antipathy can scarcely be put in the Hatfield-McCoy class. Still, Chairman J. William Fulbright of the Senate Foreign Relations Committee crinkles his nose curiously at the very mention of Viet Nam and leaves little doubt that when he speaks of the "arrogance of power," he has the White House very much in mind.

Neither Fulbright nor anyone else among the Democrats has the political influence of Bobby Kennedy, however. When Bobby speaks, the juices of dissent spurt from Boston to Bakersfield, and the level of bile in the White House rises proportionately.

Although the Democrats make a practice of fratricidal strife between elections, they have no current monopoly on intraparty schisms. The potential for a first-rate feud exists between Barry M. Goldwater

and Michigan's Gov. George W. Romney, despite the efforts of party moguls to find a bridge between them. Romney failed to support Goldwater's bid for the White House in 1964, and the former Arizona Senator is more than a little vengeful in refusing to let the Michigan aspirant forget it. He is barely civil in his public references to Romney and scoffs at the latter's ambivalent views on Viet Nam and other national issues.

Romney's apparent lack of guile has caused him grief in another party quarter. In an unguarded mo-



Publicly LBJ and Bobby Kennedy are polite, but in private they make no secret of their mutual dislike.

ment, he called a rising G.O.P. star, Illinois' Sen. Charles H. Percy, an "opportunist." The word got out, Percy professed to be deeply hurt, Romney apologized all over the lot, and the pretense of Republican unity was soon scraped raw. Next thing anybody knew, Percy made known his intention to accept speaking dates in several Presidential primary states, raising the bleak prospect for Romney that another so-called moderate might enter the lists for the 1968 Presidential nomination.

Percy's energetic espousal of liberal issues and his unabashed take-charge manner also has brought him into subdued conflict with Senate Minority Leader

Mr. Lisagor is the White House correspondent for The Chicago Daily News.

TRENDS: WASHINGTON MOOD

Everett M. Dirksen, a fellow Illinoisan and a man of more conservative tastes. Even though Dirksen will admit of no feud with any man, the Gridiron Club of Washington, an aggregation of capital correspondents, took cognizance at its annual spring dinner of Percy's aggressive refusal to accept the reticent role of a very junior Senator. To the tune of "My Bonnie Lies Over the Ocean," a singer in the role of Dirksen summed up the incipient problem in these two sample stanzas:

"Chuck Percy wants trade with the Russians,
Chuck Percy's a dove, let's agree.
God bless Mr. J. Edgar Hoover,
And bring back Paul Douglas to me.
"Some say he's the hope of our party.
And Chuck in the White House they see.
But I see another Tom Dewey. . . .
Oh, bring back Paul Douglas to me."

The parody was all the more pointed in that there was no love lost between Dirksen and Paul Douglas, the Democratic liberal who lost to Percy in his bid for a fourth term in the Senate. The reference to "another Tom Dewey" in the song recalled another memorable moment of political conflict involving Dirksen.

At the 1952 Republican national convention, when the forces of Gen. Dwight D. Eisenhower and the late Sen. Robert A. Taft of Ohio were locked in a battle for control of the delegates, Dirksen rose to speak for the conservative Taft faction against the "internationalist East" group supporting Ike. He pointed toward New York Gov. Thomas E. Dewey and assailed him in impassioned tones for leading the party to defeat in 1944 and 1948, and the hall exploded with boos and catcalls.

Memory tends to magnify events of the past, but the old party feuds seemed to have more kick and thunder to them. The Republicans lost the White House in 1912 when Theodore Roosevelt bolted his party and formed the "Bull Moose" movement with the ringing cry: "We stand at Armageddon and we battle for the Lord." TR and the party's regular candidate, William Howard Taft, unleashed a flood of recriminations against each other, exchanging such epithets as "fathead," "apostate" and "demagogue." When the smoke of the election had cleared, the Democratic candidate Woodrow Wilson was elected President with a minority of the popular vote.

In more recent history, President Harry S. Truman relished a number of feuds and promoted a few with his unvarnished candor and talent for calling a spade a spade. He had been a good friend of his Senatorial colleague, James Byrnes of South Carolina, and appointed Byrnes Secretary of State. Soon afterwards, their friendship became unraveled, for Truman accused Byrnes of taking it upon himself "to move foreign policy of the U. S. in a direction to which I

could not and would not agree. Moreover, he had undertaken this on his own initiative without consulting or informing the President."

When Byrnes finally departed from the Truman Cabinet, he made a speech at Washington and Lee University attacking almost the whole of the President's domestic program. Truman wrote to Byrnes: "Since your Washington and Lee speech I know how Caesar felt when he said, 'Et tu, Brute!'" In his reply, Byrnes said he was no Brutus, and added, "I hope you are not going to think of yourself as Caesar, because you are no Caesar."

Truman also felt an implacable hostility toward former Vice President Richard M. Nixon and was deeply resentful of Eisenhower. He felt that Nixon in his 1952 campaigning had impugned his patriotism, or as he used to put it privately, "called me a traitor." And he found it hard to forgive Ike's failure in that same campaign to stand up for Gen. George C. Marshall when the latter was being accused by Sen. Joseph McCarthy of Wisconsin and Sen. William Jenner of Indiana of being "a front man for treason."

But Truman eventually made his peace with all of those with whom he feuded, according to Edward Folliard, the retired White House correspondent for the *Washington Post* who wrote this column in *NATION'S BUSINESS* for many years. A gentle and generous soul himself, Folliard was fond of the scrappy and decisive Truman, and was an unwitting intermediary in Truman's reconciliation with Byrnes and partial forgiveness of Nixon.

It happened when Truman was a guest of Folliard at a Gridiron Club dinner. In an earlier year Truman had declined an invitation to the dinner because Nixon and Ike were going to be there. Truman agreed to come to the 1965 affair and Folliard met him to escort him to a predinner reception. "As we walked toward the bar, there were two men in our path," Folliard recalls, "one was Byrnes and the other Nixon. Mr. Truman said, 'Hello, Jim,' to Byrnes but ignored Nixon. While Byrnes and Mr. Truman chatted, Nixon went to the bar and ordered Mr. Truman's favorite drink, bourbon and water, and brought it to him. Truman took it and said to Nixon, 'You're a gentleman.' Nixon was one of the speakers at the dinner, and told how he had delivered the drink to Truman. The speaker then alluded to the feud by saying that the former President didn't think it was necessary to have someone else taste the drink first to see if it was poisoned.

Folliard also recalls how Truman and Ike finally buried the hatchet. At President Kennedy's funeral, the Trumans and the Eisenhowers were somehow put into the same limousine in the funeral cortege. After the funeral, the two men and their wives ended up at Blair House, where Truman was staying. The two ex-Presidents had what Folliard describes as "a real sentimental visit," after which Mrs. Mamie Eisenhower kissed Truman on the cheek as she and her husband departed. "That was the end of that feud," says Folliard.

It may be a long time before some of the current feudists reach the kiss-and-make-up stage.

Phoenix Mutual gives you big-business ideas free to help your business grow

Here's an opportunity to profit from the experience of others.

Through the years, in our work with hundreds of businesses, we've learned much about the problems you face today. In many cases there was a simple answer, easy to overlook. In others, our advice has saved considerable money or even the business itself.

Now we have put much of this information into booklets. Reading through them, you will find answers to many of your business problems. How to hold people whose contribution to profits is substantial. How to set up and *how not to set up* a profit-sharing plan. How to weigh the cost of insured vs. uninsured pension plans. How to avoid partnership pitfalls.

These topics and others like them are contained in a handy, handsome vinyl zip case which is yours for the asking. Just clip the coupon below and attach it to your business letterhead.

**Phoenix
Mutual**

Owned solely by
its policyholders



Phoenix Mutual Life Insurance Co.
287 American Row, Hartford, Conn. 06115

Please send portfolio of booklets on Key Men,
Partnership, Profit Sharing, Pension Plans, Deferred
Compensation and Sole Proprietor.

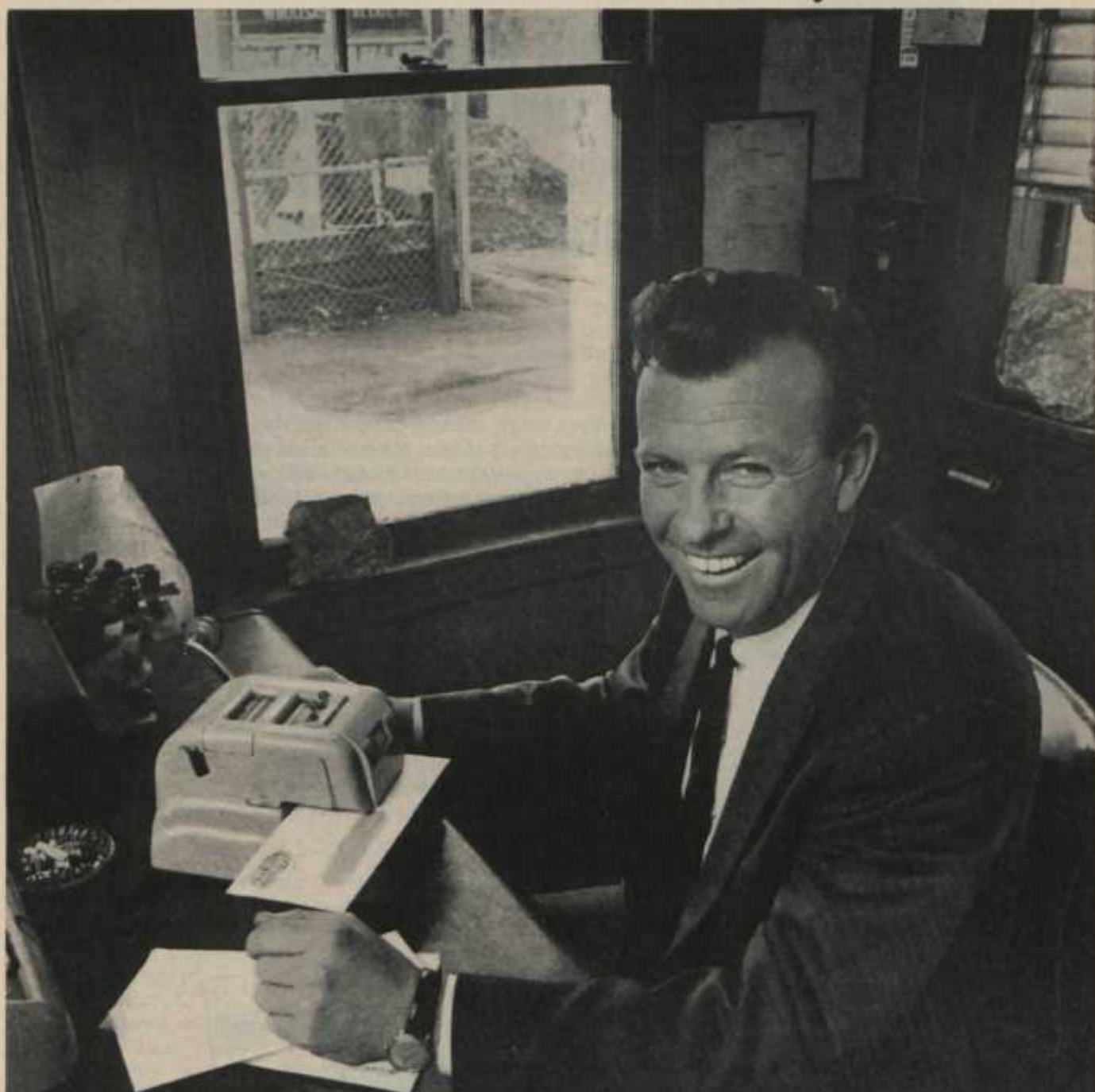
Name _____

Title _____

Business Address _____

City _____ State _____ Zip _____

Why Mike Lawlor uses a Pitney-Bowes postage meter to mail as few as ten letters a day.



Standing beside a mound of cobblestones in West Hempstead, Long Island, is the building that houses the Lawlor Stone Setting Corp. From his small office, Mike Lawlor and his men supply and contract stonework for structures as large as college classroom buildings and as small as their own compact quarters.

Every business day, ten to thirty letters are mailed to prospects and clients. Not just bills, but bids and contracts. Brochures to contractors and architects. Postcards showing work they've done.

For the past five years, one of our little desk model postage meters has been helping Mike Lawlor handle this wide variety of mail. According to Mike, "Because of the meter, we don't have to keep a stock of all the

different kinds of stamps we use. Like 8's for airmail and 4's for the postcards. All we do is dial the right postage on the meter and print it on the envelope. Our mailing jobs are also easier to take; before we got the meter, we got thick tongues from having to lick all the stamps and envelopes."

We made our desk model meter especially for businesses the size of Lawlor Stone Setting Corp. In fact, most new DM users mail fewer than Lawlor's ten letters a day and still find our meter invaluable. To find out just how our meter can help in your business, call a Pitney-Bowes office for a free demonstration.



Pitney-Bowes

For information, write Pitney-Bowes, Inc., 1314 Pacific Street, Stamford, Conn. 06904. Postage Meters, Addresser-Printers, Folders, Inserters, Counters & Imprinters, Scales, Mailopeners, Collators, Copiers.

A look ahead in education

BY FELIX MORLEY

Since the United States entered the first World War, on April 6, 1917, its population has almost exactly doubled. During that half-century public school enrollment has increased proportionately—from approximately 21 million then to a little less than 43 million now. The physical adjustment in basic education, therefore, has been no more of a strain than that exerted on every other aspect of the economy by increased numbers.

But when other educational statistics are examined the revolutionary nature of development in this field becomes apparent. For instance, since 1917 the number of public school teachers, including administrative staff, has almost tripled. And the ratio of men to women teachers has changed from one out of seven to more than one out of three.

While women have been gaining ground in most professions, in the grade schools men are usurping what used to be largely a feminine preserve. Possibly that reveals what has gone wrong with public education.

A more sure explanation of the male invasion, however, is in the extraordinary advance in teacher remuneration, though here we must of course remember that the dollar in 1917 was far more valuable than those which circulate today. But even with this discount there has been a huge improvement, from the average annual salary of \$850 in the public schools of 1917 to the current average of nearly \$7,000.

And during the past half-century the total cost of the public school system has risen even more sharply—from just under \$1 billion in 1917 to nearly \$27 billion this year.

• • •

The above figures refer only to the public schools. Including those under private auspices, also the host of two- and four-year colleges, plus the institutions for postgraduate study, we find a total of over 55 million students now crowding all rungs of the academic ladder, with a total educational expenditure for this year of just under \$50 billion.

Dr. Morley is a Pulitzer Prize-winning former newspaper editor and college president.

Education, in other words, has become big business. And educators, when they can detach themselves from immediate chores, are wondering about its development in the coming 50 years. What will be the objectives of learning, the subjects studied and the modes of teaching at the centennial of the war that pushed the United States out of isolation and into world leadership?

Prediction is the more difficult because educational fashions change almost as quickly, and often with as little discernible reason, as is the case with women's



Many schools can't buy the costly technical equipment that's needed to qualify for federal research grants.

hats. All that is possible is to extrapolate those trends which have become firmly established during the past half-century. And even here the course of development may be sharply altered by interventions as seemingly extraneous as a Supreme Court decision.

To illustrate, one might think offhand that the rapidly rising cost of private education, plus the general effort to democratize society, would be leading towards the extinction of independent schools, at least at the elementary and secondary levels. Actually the tendency is now directly contrary. Of the total school-age population (five to 17) approximately 14 per cent are now enrolled in private schools, as against six per cent in 1917.

A major reason for the current recovery of inde-

TRENDS: STATE OF THE NATION

pendent schooling is widespread dissatisfaction with the educational results of compulsory integration. This may not be permanent but at least currently the dislocation has brought both good students and good teachers to the private schools beyond their power to accommodate. High fees and low salaries are no impediment to the strong desire for old-fashioned competitive education, with a curriculum designed to stimulate individual rather than social accomplishment.

On the other hand the contrast in educational advantage, between public and private institutions, is much less pronounced at the big universities than was the case 50 years ago. This seems to be primarily because of the gigantic increase of enrollment at colleges of both types. It has greatly diluted the once intimate connection between professor and student that used to characterize the Ivy League. And it has increased the pressure for good grades which was not a notable characteristic of some state universities in years gone by.

Both of these equalizing tendencies are likely to continue simply because we have reached the stage where a reputable college degree is almost a necessary passport to any sort of promising employment. And for most professions, in this technological age, graduate study is close to being an additional requirement.

• • •

This surge to higher education has been made possible by the now almost countless channels of federal aid, which 50 years ago were all but nonexistent. About \$4 billion, exclusive of loan programs, is flowing from the Treasury to colleges and universities this academic year. Curiously, the lion's share goes to a small number of prestigious private institutions.

That is because the research facilities, the quality of teaching and the capacity of students have on the whole been best at wholly nonpolitical private universities. So, when the first Sputnik gave Russia its initial lead in space exploration, Washington turned to them to promote technological advance as quickly as possible. In terms of federal funds currently allocated, only three state universities rank among the 10 largest recipients. One result is that several nominally independent institutions have now become largely dependent on public funds for their continued development. Ironically, this threatens to eliminate the earlier advantages of independence.

The small liberal arts colleges, awarding only the bachelor's degree, receive relatively little governmental aid, either federal or state. These localized institutions are undoubtedly menaced by present educational trends. They have neither the resources nor the desire to buy and house expensive technical equipment. Yet without it they are ineligible for federal research grants. Caught in this vicious circle, and particularly vulnerable to inflation, it is sometimes predicted that the small private college is on the road to extinction.

By contrast the two-year junior, or community, col-

lege seems to have an assured future. Almost unknown, outside California, until after the second World War these extensions of the public high schools are increasing rapidly in number and size. One with which I am associated was opened for night classes in the neighborhood high school in 1961, with 133 full-time students. This fall it will occupy its own \$6 million buildings with 900 full-time students. The projections anticipate 10,000 students by 1980, one third of them part-time.

The community colleges are moving in to train the technicians, as distinct from qualified engineers and scientists, that are essential for a mechanized and computerized society. They also offer refresher courses for adults and the sketch of a general cultural education, which is rarely adequate to compete with liberal arts colleges in the same locality. The disadvantage is that by opening its doors to almost every high school graduate, the two-year college must start from the lowest level there attained. Their secondary school orientation is confirmed by customarily making the local school board trustees for the community college.

The present trend suggests that the future of the community colleges is that of trade or vocational schools, varying with the industrial or commercial needs of the locality. They will supplement, without overlap, the function of the great universities in training the scientific elite which will direct the technological rank and file.

• • •

There is little doubt that American education in the next half-century will, at all levels, become more computerized, more "factual" and "realistic," more governmentally financed and directed than is the case today. The trends all point in that direction.

But it also promises to become less standardized than was the case in 1917. The further education is carried, especially in the exact sciences, the more essentially competitive it becomes. It is theoretically possible to send every normal boy and girl to college, only if colleges are differentiated so as to have nothing in common except the name.

Many will be taught to push buttons and a minority will learn just why there are certain results when various buttons are pushed. Fortunately, however, there will continue to be many, even in the communist world, with deep interests which are neither mechanical, scientific nor ideological. Like Dr. Zhivago they will seek to fulfill themselves, perhaps vainly, along artistic and humanitarian lines.

Therefore it is most improbable that the concept of a liberal education, so long nurtured under the campus elms, will be pushed out by the "educational parks," crammed with electronic equipment, which are now foreshadowed as the schools of the future. That same "impractical" education which enabled America to achieve world leadership will be essential, if we are to maintain the uneasy role.

In this great nation the future of the small, independent college, dedicated to learning for its own sake, without mechanical aids, is still secure as a uniquely American institution. There will be many casualties, among the weaker sisters, but those that have earned high reputation will survive.

LEADERSHIP

Ford

...tiene una idea mejor



...has a better idea

Opportunity: In the next ten years, car and truck sales outside of the United States and Canada will grow at twice the rate of sales within these two countries. **Fact:** For the second year in a row, Ford Motor Company is number one in combined car and truck sales in this expanding international market. **Today,** Ford has plant operations in Europe, Asia, Australia, South America and Africa. So Ford never sees a sunset. Growth possibilities? Unlimited. Supplying foreign transportation is just one of Ford Motor Company's growing interests. Others: Medical research. Education. Microelectronics. **Ford is where what's happening... happens.**

/ for international transportation

Retired?

Now you can get the best buy we've offered in 31 years.

Starting immediately, how would you like a guaranteed yearly income for life of 9% of the price you pay for an annuity?

That's just about what an Equitable Immediate Life Annuity can give a man in his middle sixties (not quite as much for a woman because women live longer).

This 9%* is derived from both principal and interest. But you don't have to worry about outliving your principal. Equitable guarantees your annuity income for as long as you live. Even if you live to 100 or more, your annuity checks will keep coming in.

No other type of investment can provide such a guarantee. What's more, nothing can ever reduce the income that's written into your Equitable annuity contract—which, today,

gives you the most advantageous buy we've been able to offer at retirement in 31 years.

At your age, what's the lifetime income you can get? (The older you are, the higher the yearly income—about 13%* for a man of 75.) Send in the coupon below and we'll give you full information.


The Equitable Life Assurance Society 29L
1285 Avenue of the Americas, New York, New York 10019

I would like to receive more information about Equitable's best buy at retirement in 31 years. I understand I am not obligated in any way.

Name _____ Date of Birth _____

Address _____

City _____ State _____ Zip Code _____

**The EQUITABLE Life Assurance Society of the United States**
Home Office: 1285 Avenue of the Americas, New York, N. Y. 10019

They sure know how to spread it around

BY ALDEN H. SYPHER

Hang on Old Man, the government's going to turn you on.

Washington is about to relate you to fun and frolic, or work if that's what you want, or satisfaction through service to your fellowman.

The package presently on the gift-wrapping table on Capitol Hill, started your way by LBJ, includes better health and that greatest gift of all, life itself.

All this and much more are in President Johnson's special message to Congress on aid for the elderly.

"Our goal is not merely to prolong our citizens' lives, but to enrich them," the President said.

He even offered hope to those who live in indecent houses.

"Last summer," Mr. Johnson recalled, "I declared a bill of rights for older Americans—to fix as our nation's goal an adequate income, a decent home and a meaningful retirement for each senior citizen.

"Now we must take steps to move closer toward that goal.

"Let us renew and expand our programs to help bring fulfillment and meaning to retirement years."

The President proposed a 20 per cent increase in social security payments, ranging from 15 per cent for some to 59 for others. He found it necessary to suggest also \$4.1 billion more in taxes to meet the tab. Since taxes slice into spendable income and add to costs, that will hit you one way or the other. There's the first dilution of the enrichment.

• • •

To avoid raising unfounded hope, even if Congress should approve the complete package, let's remember that a President's message is an implied political promise, not an achievement.

There have been messages on civil rights, too. And on the Great Society. Let's not let the message on aid to the elderly bring about a frenzy of arrogance or a march on Washington, as some earlier messages have done.

Mr. Sypher, a lifelong journalist, is the former editor and publisher of NATION'S BUSINESS.

If activities in Washington are viewed in the spirit of the "truth-in-packaging" movement, which the President heartily endorses, you won't expect too much.

Another message LBJ sent to Congress will affect all the people in the nation, including the elderly. That's the budget message.

In it he proposes to spend, in the year starting July 1, \$135 billion—or \$8.1 billion more than the government will take in. That's according to one system of accounting. Under another the spending will be \$169.2 billion, with a deficit of \$2.1 billion.

That's a nice choice, but either way the Administration's budget assures continuation of inflation, which makes adjustment of social security rather necessary. For whether you're 71, or 21 or just one, the cost of eating and dressing and having your teeth or roof fixed is going up.

Washington talks restraint, but practices inflation.

Just how much is anyone's guess. It would be wise to plan on more than the federal figures indicate. Remember, in the current year someone in the Administration buried for awhile, or overlooked or underestimated, nearly \$10 billion in defense spending. Similar oversights could balloon next year's deficit—and inflation.

Officially, Washington expects consumer prices to increase 2.5 per cent in the upcoming fiscal year. Your sharp pencil will show you that means the 20 per cent increase proposed in social security payments has been knocked down to 17.

You lose, if Congress approves another of the President's suggestions—to increase first-class postage from five to six cents. Your 17 won't cover that 20 per cent.

• • •

Remember the guidelines? Under that policy it was all right for labor to get pay raises not to exceed 3.2 per cent, which was said to be the rate of rise in productivity. What about prices? Well now, let's hold the line.

But then, as now, labor cost is the major part of prices. What's happening now? Here's an example of

TRENDS: RIGHT OR WRONG

what you might expect: New York tugboatmen went on strike for a 30-hour week. They tied up the nation's busiest port for seven days, except for those captains who had what it took to dock and undock their ships without tugboat help.

The boatmen won a 30-hour week. It jumped the labor cost of operating the tugs by 26 per cent. There was no audible objection from Washington.

"A major breakthrough for the entire labor movement," said Capt. Joseph O'Hare, the tugboatmen's president.

You know what that means. All unions have a new target. That will take another cut out of the less than 17 that's left from the promised 20 per cent rise in benefits.

At the same time some of the oil companies announced an increase of two thirds of a cent a gallon in the wholesale price of gasoline, a rise of about a tenth of the tugboatmen's jump in labor cost.



Carol Channing, star of the Broadway show, "Hello, Dolly!" aptly summed up generosity of Great Society.

Washington moved at once. Official letters went to all the major oil companies. If they hadn't raised their prices they shouldn't, and if they had they should roll them back, said the government of the United States. Interesting, in view of the point that gasoline prices have dropped in the past 10 years. Doubled federal taxes are what has made the prices higher at the pumps.

All of which may be good, or bad. Like so many things Washington does, the effect on you depends on who you are.

Suppose you don't amount to much—because the government had not yet enriched the environment in which you were raised, of course. If such a rollback should stick, it's possible you might save a few cents on gasoline.

But if you've done a little better than nothing (as most have) and have accumulated some savings, such gyrations could be bad. Double standards like these can eat quickly into profits, which are the wages earned by your savings.

• • •

Still in pursuit of truth in packaging, let's look at

another point in the President's implied promises to the old. LBJ didn't say social security would prolong life. He mentioned it as a goal. But since he did talk about it in the message in which social security was the main subject, some careless readers might tend to connect the two.

The President is a busy man. So are his speech writers. It's easy to look at the record and come up with a promising statement like this:

"The American born in 1900 could expect to reach his forty-seventh birthday. The American born today has a life expectancy of 70 years. Tomorrow, the miracles of man's knowledge will stretch the life span even farther."

Someone did come up with such a statement. The President used it. It might seem to indicate that social security extends the life span, and more benefits might expand it still more. But does it work that way?

The Department of Commerce publishes a book of charts and statistics called "Pocket Data Book." Evidently it hasn't gotten into enough pockets, or in the right ones.

It shows the gain in life expectancy climbed faster in the first 30 years of the span the President mentioned than it did in the second, 12.7 years against 10.

Interpolating to take into account the start of social security and the figure the President used as "today" (which is 1964—the latest available), the comparison changes sharply. The rise in life expectancy from 1900 to 1935 totaled 14.3 years. Then social security came along. The rise since then to "today" or 1964 dropped to 8.9 years.

The average annual rate of rise was slightly more than four tenths of a year before social security. Since it has dropped to even more slightly over three tenths.

• • •

What this means, or what caused it, is anybody's guess. Certainly it does not indicate social security is increasing the rate of rise in prolonging life. It may prove the opposite. It also casts a shadow on that "miracles of man's knowledge" line. Some of our better miracles seem to have been in our past.

Still in the interest of truth in packaging, let's look at the nursing situation.

"We must pursue a wide range of community programs and services to meet the needs of the elderly," the President said, "... to allow them the freedom to choose the right services at the right time in the right place."

Nurses seem to be what old folks need most. But there's a critical shortage of nurses across the nation just now. We're short 125,000 nurses at the moment, according to the National League for Nursing. The shortage may jump to 344,000 in the next three years.

So there's a good chance you won't get that freedom to choose the right services at the right time and in the right place, even if you do have Washington's best wishes and increased but diluted money payments.

It's like Carol Channing, the musical comedy star, observed when LBJ presented her with a cake celebrating the fourth birthday of the musical show "Hello, Dolly!" Said she:

"I'm deeply grateful to the Great Society, because you know exactly how to spread it around."



How to get a great start on a heavy day!

There's nothing like starting a busy day in a Cadillac. For Cadillac gets you to your destination fresh and relaxed by taking the tension out of driving. You're free to think and plan your day in quiet comfort, with a minimum of driving effort. And if your schedule includes meeting a business associate, you can be sure your judgment of automobile quality and value will be noticed and respected. Stop by your authorized Cadillac dealer and see how much a Cadillac rewards you and your busy day.

Cadillac Motor Car Division



Standard of the World



Cadillac



WE CAN'T SOFTEN THE BUMPS...

but Goodyear gives you The Workhorse—
tough-job tire for pickup and delivery work.

When you do pickup and delivery driving, there's one problem you keep running across.

Bumps.

That's where the Workhorse tire comes on strong. The triple-tempered nylon cord carcass shrugs off bruises and scrapes.

This tire is built for the stop-and-go grind of pickup and delivery.

In addition to triple-tempered nylon, the Workhorse has Tufsyn, toughest rubber Goodyear ever used in tires. Has 14% deeper tread. Thicker undertread, too. Up to 17%

more rubber between the cord and the road. The Workhorse delivers as much as 25% more mileage than tires used now in most pickup and delivery work.

The Workhorse has stronger sidewalls for extra load-carrying strength. Helps you haul more. In fewer trips.

Workhorse prices start at about \$15.00.* When you need tires for your truck—tell them to mount the Workhorse. At your Goodyear Dealer's or Goodyear Service Store. Goodyear, Akron, Ohio 44316.



The Workhorse tire gives you a choice of two tread designs. Rib-type for over-the-road use. Extra-traction design for on and off-the-road use.

GOOD YEAR

No strings attached

SHOULD UNCLE SHARE THE WEALTH?

Congress is under the heaviest pressure yet to overhaul the way state and local governments foot their bills.

Long dormant proposals for revenue sharing—turning back to state and local governments a certain chunk of the federal tax take, with no strings attached—promise to become the hottest issue facing the Ninetieth Congress.

Debate is already under way on Capitol Hill, centering on the plight of financially hard-pressed governors and local officials and on the chaos and controls of the current multibillion-dollar federal grant-in-aid programs.

The Administration leans heavily on expanding grant-in-aid programs as its formula for seeking the Great Society. So it opposes revenue sharing.

It is likely that revenue sharing will continue to ripen as a prime domestic political issue in the 1968 Presidential campaign and maybe even beyond.

Like many a major proposal, revenue sharing has mixed parentage. Rep. Melvin R. Laird of Wisconsin, chairman of the Republican Con-

ference in the House, stakes a claim to authorship of the first (1958) revenue-sharing bill in modern times.

Walter W. Heller, former chairman of the President's Council of Economic Advisers, rejuvenated the idea in 1960 and again in 1964. In the latter year, President Johnson appointed a task force headed by economist Joseph A. Pechman (then of the Brookings Institution, now at Yale) to study the question.

The task force report was never made public. The President's lack of support has been attributed to everything from irritation over newspaper "leaks" on the subject to opposition by President George Meany of the AFL-CIO.

Why LBJ frowns on it

One high Administration official who strongly favors revenue sharing, however, confided to NATION'S BUSINESS that the White House mistrusts state government and will oppose any such measure until urban and suburban interests are firmly in control of legislatures as a result of one-man, one-vote reapportionment. Meanwhile, Re-

SHOULD UNCLE SHARE THE WEALTH?

continued

publicans of both liberal and conservative persuasion have seized the initiative in pushing the issue in Congress.

But it is not really a partisan question, even in Congress. Some liberal Democrats, including Rep. Henry Reuss of Wisconsin and Sen. Joseph Tydings of Maryland, also have introduced revenue-sharing measures.

Liberals, too, are impatient with the tangle of federal grant-in-aid programs—now running \$15 billion a year—and see a limit beyond which the government cannot continue to expand them.

They also see in revenue sharing the allocation of more public funds raised through the progressive income tax, as against further reliance on the traditional state and local sources, such as sales taxes and property taxes.

By contrast, a key opponent is Rep. Thomas B. Curtis of Missouri, a ranking Republican on both the tax-writing Ways and Means Committee and the Joint Economic Committee, a respected student of economic policy and a chief G.O.P. spokesman on most economic affairs.

Even less partisan is support nationwide. The National Governors' Conference has overwhelmingly endorsed the measure as a means for strengthening state government.

A Gallup poll early this year posed the question: "It has been suggested that three per cent of the money which Washington collects in federal income taxes be returned to the states and local governments to be used by these state and local governments as they see fit. Do you favor or oppose this idea?"

A full 70 per cent favored the proposal, as against 18 opposed and another 12 with no opinion. The breakdown by party runs 72-16 among Republicans, 69-15 among Democrats. And a great majority feels the states handle the tax dollar more wisely than Washington does.

Support for revenue sharing appears based on two factors:

1. Mounting dissatisfaction with the current device of parceling out federal funds on a project-by-project basis. Many political leaders now agree that it's a mess. For a classic case of bureaucratic confusion, see "Washington Slipped Here," *NATION'S BUSINESS*, August, 1966.
2. The practical political problem local and state governments have in raising revenue in competition with the federal tax system.

Chaos in federal aid

Democratic Sen. Edmund S. Muskie of Maine, head of a subcommittee studying many of the 220 federal grants administered by 21 departments and agencies, as

well as hundreds of regional offices, says:

"The number and variety of federal programs have increased so rapidly in recent years that the need to coordinate and consolidate this assistance has reached crisis proportions."

Secretary John Gardner of the Department of Health, Education and Welfare, which alone handles some \$7 billion in grants-in-aid and other assistance, also charges:

"In almost every domestic program, we are encountering crises of organization. Coordination among federal agencies leaves much to be desired. Communication between various levels of government—federal, state and local—is casual and ineffective."

Politics, under either party in power, intrudes. Grants are announced by candidates. (In Maryland a Congressional candidate running against an incumbent announced approval of a program under a measure that had been sponsored by his opponent.)

Interior Secretary Stewart L. Udall candidly told the Muskie subcommittee, "We are sort of scattering a little grant here and there across the countryside, depending on the readiness of communities or the type of pressure that comes from the Hill."

A New Jersey mayor, and former Congressman, Hugh J. Addonizio of Newark, testified strongly in favor of the demonstration cities legislation, supremely confident that his city would be one of the 60 or 70 across the country tagged to get the extra gravy.



Mayor Addonizio explained that "an effective Congressman can always make sure that his own cities are included, and particularly when he sits on this committee.

"And I have assumed by . . . the friendships that I have with the members of this committee that my city is certainly going to be successful in being designated for a project."

A consulting engineer, responding to a survey by the Consulting Engineers Council, writes: "The fact that there is not enough money for everybody automatically puts it in the political grab bag. In other words, the city or community or district that finally gets an approval has usually obtained it through political pressure."

Not need—but pull

Parceling out federal funds to communities on the basis of political pull rather than need, of course, is a misallocation of national resources in the minds of most.

A community's acquisition of funds on the basis of what is available, rather than local priorities, also amounts to less than the best use of resources, especially in view of the need to match federal grants with local money.

This was the case in a Florida community which spent local and federal funds on a beach boardwalk a few years ago, rather than a swimming pool in a low-income area where underprivileged children swam in a treacherous creek.

Asked by NATION'S BUSINESS why
(continued on page 100)



DOORING: LEO HIRSCHFELD

WHERE THE WELFARE STATE RUNS WILD



Expensive new buses rot on a Montevideo dock while civil servants dally and argue over port charges. Attitude of people in this once busy land: "So what! Who cares?"

MONTVIDEO, URUGUAY—Two hundred imported buses are rusting away on an open dock here while Uruguayan government bureaucrats bicker with each other over payment of port charges. The buses have not moved in nearly four years.

Scores of men listed under false female names receive regular government handouts through Uruguay's socialized hospitals. They are listed as "wet nurses."

At many government offices there

Associate Editor Sterling G. Slappey, who has reported on important international developments from all over the globe, interviewed business and government leaders and ordinary citizens throughout Uruguay in preparation for this article.

are twice as many public servants as there are desks and chairs. The trick is to get to work early so you won't have to stand during the four to six hour workday that Uruguayan bureaucrats enjoy.

It is rather common for government workers to retire on full pay at 45. It is equally common to collect on one retirement while holding a second job or to hold a job while collecting unemployment compensation.

These are a few of the facts of life in Uruguay—a nation gone wild over the welfare state.

Instead of being the pride of Latin America, as it was just a few years ago, Uruguay has now become a major concern for its neighbors—Brazil and Argentina, as well as for the United States.

A hyperactive Communist Party in Uruguay now controls 80 per cent of the trades union movement. Communists hold positions or have great influence throughout the government—from the bottom to very near the top.

The National Workers Conference is a communist-controlled labor overlord.

It replaced a respected labor organization which apathy, inefficiency and corrupt union officials—with communist help—tore apart in 1966.

Uruguayan diplomats and government officials freely admit the Communist Party has been growing in size and influence for 20 years and that it has become a major worry for the United States which is committed by overt and covert



Mountains of paperwork, crowded offices, more employees than chairs to seat them—that's a Uruguyan government bureau on a normal day. Hope is the new political regime will cut waste.



Private meat shops have wide choices of prime cuts, steady supplies. Government shops close often; meat is poorer quality.

means to make certain that no other American nation joins Cuba as a Moscow colony.

President Lyndon B. Johnson and a score of his fellow presidents of American states are to get a look at Uruguay April 12-14 when they hold a summit meeting at the beach resort of Punta del Este near Montevideo.

Uruguay will be an eye-opener for Mr. Johnson and his colleagues from Washington who favor enormous extensions of U. S. social welfare, larger government, more federal controls, less and less reliance on private industry and initiative.

A close look at the mess made here in the past 15 years would be a valuable by-product of the summit meeting which actually is to
(continued on page 82)

WILL WASHINGTON RUIN YOUR PENSION PLAN?



PHOTO: JACOB LOREMAN-FIX

John D. Lockton of GE thinks the threat facing private plans is greater now than ever before. He and others fear runaway social security plan.

Your pension plan is being threatened.

Businessmen and pension experts who have made the growth and improvement of private retirement programs their life's work are worried. As they see it, government legislative and regulatory ideas now in the mill could stifle the private pension movement which has thrived for years in relative freedom.

One trend they are watching is "runaway social security." What's being proposed now in new social security laws, in some opinions, changes the nature of the program from a floor of protection for the aged to an actual federal pension system in competition with private pensions. By any standards, the growth of private pensions has been dramatic. The number of workers covered has jumped from four million in 1940 to 28 million now. Assets have ballooned from \$2.4 billion to almost \$100 billion.

Further, assuming that restrictive new legislation and regulation is headed off, the National Bureau of Economic Research estimates that private pension funds will have assets of between \$187 and \$214 billion by 1981, and cover nearly 43 million American workers.



PHOTO: MIKE SMITH-PIS

Robert E. Royes of AT&T thinks private pension plans serve the valid business purpose of orderly retirement of older, less able workers.



PHOTO: WIDE WORLD

Sen. Robert F. Kennedy and some others want to finance bigger social security payments with general tax revenues, not just trust funds.



PHOTO: WIDE WORLD

Sen. Jacob K. Javits is author of what some private experts regard as the broadest, most restrictive pension legislation.



PHOTO: DENNIS BRACK—BLACK STAR

Rep. John D. Dingell believes there ought to be a government clearinghouse for private plans to transfer accumulated assets.

They are paying out \$3 billion a year now to nearly three million beneficiaries. But beyond this, there are other benefits.

Funds placed in private pension trusts are invested, and their investment provides money for business to produce goods and services and for people to buy them. For instance, corporate pension funds invest about \$3.7 billion in stocks each year, Sidney Homer, a partner in the investment firm of Salomon Brothers & Hutzler points out.

And while there may have been the suspicion among some that pension trusts deter individual personal saving, a study by George Katona for the Institute for Social Research of the University of Michigan indicates the opposite.

Private pension plans are set up to provide something above the social security floor of retirement benefits.

"A reasonable pension plan," says Robert E. Royes, secretary of the employees' benefit committee of American Telephone & Telegraph Co., "serves a valid business purpose. It can be financed through economies in operations resulting from the orderly retirement of older employees who have become in-

effective and the substitution of more effective employees."

The assumption made in growth projections that regulation and legislation will be averted now appears unrealistic.

"New federal regulation in the pension area is inevitable," says Victor A. Lutnicki, executive vice president of John Hancock Mutual Life Insurance Co.

"It's up to us in the private sector to see that regulation is shaped in a constructive affirmative way," he adds.

Prof. Carl H. Fischer, professor of insurance and actuarial mathematics at the University of Michigan, agrees. "I'm afraid a categorical answer to the question 'Is further government regulation inevitable?' has to be Yes." Dr. Fischer has served on several advisory groups appointed by Congress, was a consultant on pensions and social security to the Republic of the Philippines, and has taught a graduate course in pensions for 20 years.

The danger of federal legislation and regulation which could seriously impair the ability of private pension funds to perform "is greater today than ever before," warns

John D. Lockton, General Electric Co. treasurer.

Three main threats

What is this legislative and regulatory threat?

What does it mean?

Why has it come?

To get the answers, NATION'S BUSINESS talked to many of the top people in the private pension field, and to those close to the subject in government and the Congress.

The three biggest threats, as watchers of private pension plans see it, are:

- "Runaway social security" which would substitute governmental coverage for the combined public-private retirement coverage now in effect.

- Regulatory legislation, part of which is stemming from a controversial 1965 Cabinet committee report to the President.

- And a proposal by the Internal Revenue Service to change the formula for "integrating" private pension plans with social security.

There's some concern that President Johnson's proposed liberalization of social security benefits is the

(continued on page 53)

HOW TO KEEP THE BLOOM ON THE BOOM

Forecast from top executives on sales,
profits, capital investment, employment

Businessmen have their own ideas on how to keep the economy moving.

They think that now-fading business can be given new life. But it takes the right tonic; and many believe the Johnson Administration still may not be prescribing enough of the right medicine.

This is the response from top industrial, commercial and financial executives to a NATION'S BUSINESS Outlook Survey. Partly because of federal action or inaction, many of them are at least ankle-deep in doubts that earlier hopes for 1967 can be fulfilled, that the economy will continue to gather steam as government economists say it will. Why raise taxes now, most of them ask. President Johnson has called for a six per cent surtax to help finance the war in Viet Nam and to trim the federal budget deficit.

Cut nonessential federal expenditures instead, they suggest. To them, a surtax is not only unnecessary, it's dangerous. It would take effect in the second half of this year when they believe tax relief, not tax restraint, will be needed.

The NATION'S BUSINESS survey was made before President Johnson called for reinstating the seven per cent investment tax credit and accelerated depreciation of buildings which were suspended last autumn.

Reinstatement of these tax incentives was called for by a big majority of the businessmen polled.

PHOTO: VICTOR KELLY-PIE



Inflation is the nation's No. 1 economic problem and indications are "it will get worse," cautions Donald S. Bittinger, president of Washington Gas Light Co.

The economy generally will slow down and Ford Motor Co.'s sales will fall short of last year's pace, predicts President Arjay Miller.



PHOTO: PAUL CORRELL-PIE

E. J. Hanley, chairman and president of Allegheny Ludlum Steel Corp., (left) sees the economy running close to '66 pace and doubts that there will be a surtax.

James D. Edgett, North American Van Lines president, expects Congress will approve the six per cent surtax and that it will "help to stabilize" the economy.



PHOTO: TODD CAZAKS-PIE



Cut federal spending further than planned and defer new programs, Robert B. Semple, president of Wyandotte Chemicals, recommends.

HOW TO KEEP THE BLOOM ON THE BOOM *continued*

They also seek to hold down union demands. Maybe unions should adhere to the same antitrust laws that business has to and thus even up the labor-management scales a bit, they say.

Although the mood of business is changing, certainly not everyone is pessimistic. Nearly half of those responding expect business to move along at about last year's level. But about 35 per cent think it will slow down—twice as many as thought so in the previous NATION'S BUSINESS quarterly survey. Only about one in five believes the economy will speed up.

Says Ford Motor Co. President Arjay Miller, "The private economy probably can't grow through 1967 at the 1966 pace."

Outlook Survey questionnaires went out to about 1,000 business leaders. Answers came back from one third of them.

What worries businessmen

Businessmen are worried about these uncertainties:

- Just what are the economic strategies of the Johnson Administration?
- Will the President indeed get a tax raise? If he does, will it impose more or less than a new six per cent burden on corporations? (*continued on page 98*)

PHOTO—TOM REISWENGER—PIC



John Virden, board chairman of Eaton Yale & Towne, Inc., expects the economy will slow but that inflation will worsen.

Business-government relations have been deteriorating and will get worse, says G. H. Trautman, president of The Greyhound Corp.



PHOTO—PAUL REISWENGER—PIC

Let's talk about PERSONALITY and the Armco Building System

There's little chance of diners mistaking Ray Jr. for just another restaurant. Its clean-cut lines and distinctive facade mark its personality as surely as the bill of fare and maitre d'.

How do you achieve such individuality in a steel building constructed with standard components? You do it with imagination and the Armco Building System. In conjunction with your local Armco Dealer and architect, select the framing system that best fits your space requirements, according to size and business activity.

Cover outside walls with sculptured or flat Armco STEELOX® Wall Panels. And pick their colors according to your tastes. If you wish, complement the panels with masonry or wood (STEELOX blends nicely with all building materials). Then select overhang, accessories and trim.

When you're finished, you've got a building that reflects the personality of your business, an attractive structure whose individuality is designed to draw customers.

Your local Armco Building Dealer is experienced in erecting the kind of individual facility your business deserves. Call him, or write to Armco Steel Corporation, Metal Products Division, Department M-517, P.O. Box 800, Middletown, Ohio 45042.



makes products better for you



Tell me more about the Armco Building System.

Name _____ Title _____
Firm _____
Street _____
City _____ State _____ Zip _____
Telephone Number _____



ARMCO Metal Products Division



SPURRING GROWTH WITH IMAGINATION

A conversation with L. F. McCollum,
who built Continental Oil into an
international, all-energy company

If a miffed assistant college registrar hadn't put L. F. McCollum in a geology class she thought he'd flunk, one of the oil industry's most fascinating stories might never have been written.

But she did. And the bouncy, hard-driving Texas farm boy went on to turn Continental Oil Co. from a domestic, Midwestern concern into a \$2 billion all-energy international giant, operating in 30 countries on six continents.

"I'd never even heard the word geology," laughs Mr. McCollum today.

When he stepped down as chief executive officer last Jan. 1 after 20 years, McCollum, 64, could look back on a career that spanned an industry's history—from the lusty days of the wildcatter in overnight boom towns to sophisticated refineries spinning off by-products that have become big business in themselves.

Once described as a man who always "looks like he struck oil or something," the soft-spoken ex-oil scout radiates enthusiasm and says this is because "the sun always shines on me."

Before turning over the chief executive reins (he remains as chairman of the board and chair-

man of the company's finance and policy committee), Mr. McCollum put the finishing touches to Conoco's entry into another important phase of energy. This was the \$583 million acquisition of Consolidation Coal Co. in late 1966.

In this conversation with a NATION'S BUSINESS editor, McCollum talks of his career and philosophy.

Your early ambition was to be a writer, wasn't it?

Yes, sir. I was filled with enthusiasm and drama and entered the University of Texas to be a journalist. I wanted to be a newspaperman, a writer.

I was always good at languages and, rather strangely, in mathematics, too. But I had a love for languages. Therefore, I thought journalism would be just the thing.

But you quickly got involved in geology instead, didn't you?

Yes, a science course was required. When I went to register, there was a woman who said, "What science course do you want?"

I said, "I'm not" (continued on page 78)

BUSINESS: A LOOK AHEAD

Polluted plants

(Agriculture)

Putting dollars to work

(Credit and Finance)

Research under glass

(Construction)

AGRICULTURE

Air pollution damage to agriculture will get closer attention from researchers in years ahead.

Public Health Service estimates annual loss at \$500 million to animals and plants, mainly the latter. In past years, before resistant strains, loss estimates ranged up to \$5 million in cigar-wrapper leaf in Connecticut.

Agricultural Research Service of U. S. Agriculture Department will have new air pollution laboratory operating this summer to study action of pollutants on various plants, seek resistant strains and develop controls.

Main damage to plants is smaller and slower growth. One big villain is ozone found in photochemical smog, which is result of sunlight acting on waste products of combustion.

Possible outcome of research is commercially adaptable filter for greenhouses in Eastern United States and improved sprays.

Some sprays now used for disease control also protect against pollution, but only as long as protective covering remains.

Besides tobacco, plants damaged by pollution include corn, citrus, flowers, cotton, grapes.

Animals suffer respiratory irritation.

CREDIT & FINANCE

Farm credit needs soar as agriculture increasingly becomes big business.

Federal land banks, which furnish 15-20 per cent of farm mortgage loans, predict farm mortgage debt they hold will reach \$6.2 billion by 1970, increase of more than 20 per cent over current \$5 billion.

Land bank experts note that farmers are becoming more sophisticated about borrowing; many now refinance mortgages to get funds for operating expenses. "Farmers realize that they have a certain amount of credit and they are good businessmen when they utilize it to the fullest," says one.

Also accelerating is demand for short and intermediate-term credit, estimated to reach \$27 billion by 1970, compared to \$21.4 as of start of this year.

Too low estimate by land banks, as recently as '63, set 1968 needs at only \$14 billion in short and intermediate category.

Reasons for acceleration include rising prices of goods farmers buy; mechanization with larger, more sophisticated and versatile equipment; greater demand for improved seeds, chemicals—in general, substitution of capital for labor.

CONSTRUCTION

Exotic research under the seas in the future may depend on structures made of one of the oldest materials available—glass.

Investigations at Materials Research Center of Rensselaer Polytechnic Institute show that glass, extremely strong under pressure, may be just the right substance, Prof. John D. Mackenzie says.

RPI's Center is doing basic research on behavior of glass under pressure. U. S. Navy is interested in developing glass vessels, which resist seawater corrosion without paint.

But Dr. Mackenzie, professor of materials sciences, foresees equal long-range potential for glass as attempts are made to exploit undersea resources from bases located on the ocean floor.

FOREIGN TRADE

Continuing upgrading of U. S. technology offers future strength in balance of payments picture.

Study by Organization for Economic Cooperation and Development for one recent year set technological balance of payments at \$514 million in favor of this country.

Put another way, this meant outlay of \$63 million for technical know-how, patent royalties and the like to foreign countries, as against \$577 million in receipts by U. S. from others.

Commerce Department figures for 1965 show how technology helped U. S. maintain its share of international market for yarns and fabrics.

Between 1956 and 1965, exports of cotton and wool fabrics and yarns dropped from \$187 million to \$125 million. Over same period, however, exports of synthetics rose from \$158 million to \$241 million.

MARKETING

Franchising keeps getting bigger, more ways than one.

International Franchise Association, in survey of 175 member com-



Passenger acceptance of improved rail transit will be tested this year in Washington-New York experiment.

panies with 35 per cent reporting, found franchise business volume up 23 per cent last year over 1965.

Association spokesman predicts equal growth this year; cites one food franchiser with 500 outlets in November, 600 in January, shooting for 1,000 this year.

Trends within trend: Larger, long-established firms increasingly acquire franchise firms or establish own franchising for new products.

Forces underlying franchising trend include advantages to parent company of lessened capital requirements for expansion, motivation found in franchisees who run their own business, and lessened need for supervisory staffs.

MANUFACTURING

What sort of communities offer best environment for new "innovative" enterprises, those developing products and processes based on new technology?

Special panel to advise Commerce Department cites four key elements:

Venture capital sources at home with technology, having know-how to assess new idea's potential and translate it into a profitable business.

Universities strong in technology, bolstered by business climate favor-

able to ventures. Going examples of successful technological ventures—"entrepreneurship breeds entrepreneurship."

Mechanism for consultation among all interests involved, including technical people, entrepreneurs, universities, sources of capital.

NATURAL RESOURCES

How clean should clean water be?

The answer will have dollar-and-cents impact on a large segment of business, whether as taxpayers or users—or sometimes polluters—of the nation's rivers and streams.

Federal legislation puts pressure on states to adopt, and enforce, anti-pollution standards. But here's the real rub:

No less an authority than Abel Wolman, eminent Johns Hopkins sanitary engineer, says government's enforcement powers already exceed our present technical and economic know-how.

And Battelle Memorial Institute, Cleveland-based research organization, argues that no one knows true costs of varying degrees of stream cleanup.

Battelle seeks industry sponsorship of research project. Idea is to take typical river basin, analyze total

pollution level, pinpoint all sources of contaminants, set various quality standards by end use—drinking, recreation—determine needed controls and estimate costs.

Ultimate goal is to develop river basin analysis techniques to permit their application to any major river basin for use by industry, communities, conservationists, states.

TRANSPORTATION

Prospects for high-speed rail in a half-dozen intercity "corridors" hinge on outcome of experiment due to get rolling this October.

This is assessment by Association of American Railroads of implications of Washington-New York project of Pennsylvania Railroad and U. S. Department of Transportation.

Purpose is to test public reaction to improved service: 40 per cent increase in trains, three-hour running time, hourly departure frequency, new equipment, speeds up to 100-110 mph.

W. W. Hay, professor of railway civil engineering at University of Illinois, says high-speed service on conventional track has great potential in years immediately ahead, regardless of future of more exotic systems under research.

Key is use of existing right-of-way, center city to center city, with cost of improving roadbeds and trackage far less than new system.

With top speeds of 125 mph, following reductions in running time are possible:

St. Louis-Chicago, five and a half to three hours; Chicago-Springfield, Ill., three hours, 22 minutes to one hour, 45 minutes; Twin Cities-Chicago, six and one half to four and one half hours.

"These improved times would all be competitive with modern jet air schedules," says Mr. Hay. He includes travel times from central cities to airports at both ends of air trip.

DOT, however, also is studying possibilities of rail rapid transit and other means of transportation to airports.

BUSINESS: A LOOK AHEAD

Prospering Appalachia

WHY PUMP-PRIME A GUSHING ECONOMY?



Both in appearance and in name the drafty old Pancake auto body shop in Romney, W. Va., seems an unlikely symbol of free enterprise.

Inside the boxlike, two-story cinder block structure, 160 men and women crouch over stitching machines, feed swatches of leather into shaping devices and deftly manipulate the controls of punch presses.

They are making shoes. And they are making money.

A few miles to the east of Romney, on the picturesque, rolling banks of the south branch of the Potomac River, red steel beams and girders punctuate the placid rural surroundings. It is the skeletal beginning of a gleaming new factory. Here, too, people will make shoes and money.

Industrialization has finally come to Romney after a false start in 1963 when the people of this small community of 2,200 thought the federal government held the answer to free them from the yoke of economic

depression. In that year a canning processing company planned to move into Romney if the town would provide a site. This would have created 150 badly needed jobs in an area where down-on-their-luck farmers were barely eking out a living and there was only a handful of seasonal jobs for persons working in fruit orchards.

Romney filed a loan application with the old Area Redevelopment Administration for funds to buy the plant site. ARA was set up to help economically depressed areas. The town waited. Nothing happened. Finally, after six months, the canning company lost interest.

The people of Romney are not exactly bitter over the federal government's failure to come through with the money, but they feel they were victims of some high-level bureaucratic blackmail. Their loan application, as well as many others around the country, was deliberately held up, they say, while ARA

sought to make a case before Congressional committees for a larger appropriation to expand its activity.

The theory was that if ARA could show a substantial backlog of applications, Congress would be more willing (and it turned out it was) to boost the ante.

Romney had all but given up when the West Virginia legislature later in 1963 passed a bill paving the way for local communities to sell tax-free industrial development bonds to finance industrial sites and induce industry to locate within their borders.

Businessmen to the rescue

Businessmen in Romney quickly established the Hampshire (County) Development Corp. They began circulating feelers to industry to come investigate, promising they had a favorable employment environment and business climate.

Working closely with the Poto-

U. S. government failed to deliver, so people of Romney, W. Va., got together to bring in new industry to ease unemployment. Workers (left) make shoes in abandoned auto body shop (below) and will move into big new plant (right) later this year.



PHOTOS: MICHAEL LENTZ



WHY PUMP-PRIME A GUSHING ECONOMY?

continued

mac Electric Power Co., also anxious to find new industrial customers, Hampshire Development soon got a nibble from a sewing-machine firm. Local businessmen came up with financing for a site, but the deal fell through. It was disappointing, but Romney business leaders were determined not to give up.

William Loy, an aggressive young lawyer and a spark plug behind the local development corporation, tells what happened next:

"The Kinney Shoe Corp. people—they're a subsidiary of F. W. Woolworth Co.—found out about us and were interested. They agreed to try us out if we'd make a feasibility study. And if that panned out, we would provide them with a building for a pilot plant and get an option for a piece of property where they could later put up a plant."

Kinney accepted the feasibility findings. Businessmen found a building—the old Pancake auto body shop owned by the local Chevrolet dealer—and put up \$20,000 for a temporary lease. The county Board of Education agreed to sell at public auction a 10.9-acre section of land ideally suited for a factory.

Kinney Shoe was skeptical but game. Under a contract with Hampshire Development, the big shoe manufacturer would operate the small pilot plant and make a decision in 18 months either to abandon the project or build.

In January, 1964, some 30 employees—virtually all of them right off the farm—signed on for jobs. Andrew Barbee, who had worked for Kinney in various places, and an assistant were the only two who knew anything about making shoes.

Kinney didn't need 18 months to reach a decision. The skill and dedication displayed was proof that people who want jobs, and can adapt to training, justify the trust placed in them.

So Kinney made up its mind in six months. What was to have been an 18-month, pilot training operation was soon converted into an actual production facility. Today, the pilot plant is turning out 2,000 shoes a day on a tight production schedule. According to Plant Manager Barbee, this is almost double the production in some of Kinney's older plants.

The local effort did not stop with acquisition of the plant site. Romney businessmen picked up nearly

all of the almost \$1 million in municipal bonds required to build the new factory. Kinney has signed a 25-year lease with an option to buy and now industrialization has truly arrived in Romney. The plant is expected to open in June with a 300-man work force.

Romney had been willing to go the route—as so many others have—of tapping the federal treasury to alleviate a wholly localized unemployment problem. While the state Industrial Bond Act has come under some fire in Congressional circles, it has provided local communities an opportunity to take the initiative to help themselves. Again, attorney Loy, speaking with NATION'S BUSINESS:

"This was a lifesaver for us. It certainly gave us a chance to stand on our own two feet and not go crying to Washington for a handout. Of course, in this case, Kinney was testing us and we passed the test."

Other communities in West Virginia are also finding out that while offers from Washington appear on the surface to solve their problems the long-term effects of such help may not be worth it. Berkeley Springs residents learned to their chagrin that it was one thing for Washington to help them build a school but it was something else again when they toted up the bill.

Nearby Martinsburg tried to prop itself up with federal aid, but it is new industry that's giving the community solid hope for the future.

And on the opposite side of the state—in Ravenswood—no amount of federal money could begin to brighten the economic picture as much as when a major aluminum company decided to move in.

The Romney story is only part of a larger saga in a state which the federal government has held up as the Class A example of acute economic depression whose salvation, it seems to feel, must depend on a heavy outpouring of financial assistance from Washington. It is Appalachia and all that the name connotes.

But there is another side of the coin that doesn't show through the publicity that spews from the Office of Economic Opportunity, the Economic Development Administration and other agencies carrying on the work of the Great Society. And that is the role of private business and industry in creating new jobs and opportunity in West Virginia.

While the state still has jobless people, the situation has changed dramatically in the past few years. In 1961 the unemployment rate was 13.5 per cent with an estimated 85,000 persons out of work. By last October the figure was 31,200 unemployed or only 5.1 per cent of the state's civilian labor force.

It is interesting to note that between 1961 and 1966, when unemployment was steadily dropping, federal aid was skyrocketing. In 1961, in federal grants-in-aid alone, West Virginia received \$112,415,902. By 1966, this had soared to more than \$207,638,525.

Federal help a hindrance

To help West Virginia the federal government has opened the public purse so wide that Washington agencies are stumbling over themselves as they pass out federal aid of every conceivable stripe.

Even West Virginia's Gov. Hulett C. Smith admits there must be a better way of doing things and he hasn't been shy in asking for Washington's help. In a recent appearance before the Senate government operations subcommittee on inter-governmental relations, he said:

"The multiplicity of federal grant-in-aid programs has proved both a blessing and a drawback. Where they duplicate or overlap each other, however, they confound and confuse even the sophisticated state administrator, let alone the local official with only limited knowledge in the art of 'grantsmanship.'

"Many program activities of the federal government overlap and duplicate themselves. This surely is not beneficial to good public administration at any level of government."

Gov. Smith discovered that there are five separate agencies alone to which a community in his state may apply for assistance just to build a sewer treatment plant.

He has also found the red tape of controls is the price a state must pay when it looks to Washington for help. He explains:

"Standards sometimes seem arbitrary and unfair. . . . Delays occur in starting projects because of the need for total compliance with federal guidelines. . . . Reporting procedures are sometimes too detailed and thus become burdensome.

"And fiscal inconsistencies also plague state and local officials. With four or five different methods of distributing federal funds to state agencies, the efforts of the states are vastly complicated for function-

(continued on page 81)



*The
Profitable
& World
Within*





Lost



Found

Sirs: I loathe files. They bore me. Except when something I want gets lost in them. Then they enrage me. If Pendaflex Speed Filing can fix that, O.K. Just show me.

Oxford

Give this ad to your commercial stationer or mail coupon to Oxford Filing Supply Co., Inc. 66-04 Clinton Rd., Garden City, N.Y. 11530

Name

Company

Address

The Profitable World Within

Contents

Make The Office a Pleasant Place to Work	4
The Evolution of The Desk	14
Filing—Key to better record keeping	22
The Secretary & The Boss	33
Your Office at Home	36
21 Ways to Cut Office Costs	41
Billions of Paper Clips	49

Interior Design—Charles Miller, AID, *Stern Office Furniture, Inc.*, Washington, D.C.

Photography—Jon Schoonmaker



There is a profitable world within every office . . . and the keys to unlocking these profits are better record keeping and better office organization.

The waste of time and money caused by poor records, by outdated office equipment and inefficient office operation is appalling. These days one misfiled letter can cost \$75.00 a year in lost clerical time. Just to write the average business letter costs at least \$2.00 and to keep a letter in the files runs about eight cents a year. In total, the cost of poor paperwork management and poor record keeping runs into millions of dollars annually.

Figures like these plus the paperwork explosion that's threatening to bury all of us are what led NSOEA, the National Stationery and Office Equipment Association, to launch National Better Record Keeping Month two years ago. The purposes of National Better Record Keeping Month are to give business people practical help and tips on good record keeping practices and on efficient office organization, and to marshal the resources of the office products industry to get the job done. There are ways to increase profits by better office organization and it's the aim of this special report prepared by Nation's Business and NSOEA to point out what business can do to capture these profits and savings.

NSOEA, as sponsor of National Better Record Keeping Month devoted to better office organization, welcomes the assistance of Nation's Business in improving office efficiency and office environments. The thousands of progressive office products dealers and the suppliers working with them will be making special efforts this April to help you explore the profitable world within your office.

Robert S. Jerue, President
National Stationery and
Office Equipment Association

NSOEA

© 1967 by the National Stationery and Office Equipment Association. All rights reserved.

The Profitable World Within

Make The Office a Pleasant Place to Work

The physical make-up of an office has much to do with the morale and performance of the people who work there.

This point of view has the support not only of practical business experience, but also of scientific studies concerned with such factors as office design, lighting, space utilization, color and noise control. These elements of office environment are of major significance in determining how well people do their jobs and how happy they are while they're doing them.

A leading industrial psychologist, Dr. Mortimer Feinberg, points out that "while supervision and people create the essential warmth of an office, appealing work surroundings are another evidence of management's concern for the employee, and in that sense they can be a Vital Plus in contributing to high performance and high morale."

Here is another way of looking at it: If you DO NOT provide a pleasant work setting you may get stuck with an atmosphere which has a negative effect on the way people feel about their jobs and about you as an employer. In today's worker-scarce economy this could be risky business. In fact, some specialists believe there is a definite correlation between the attractive, efficiently designed office and a firm's ability to recruit and hold highly qualified clerical, secretarial and even managerial personnel.

"In some cities the attractive office is a major competitive factor these days," declares Joseph T. Fucigna, vice president of Dunlap and Associates, Inc., of Darien, Connecticut, research consultants. He notes that in a city such as New York, where good secretaries can pretty much pick and choose among job offers, an attractive office figures significantly in the applicant's decision.

Whatever the location of your own business, it is just good sense to pay close attention to the





Let's use decorative tile in entrance

About sofas here?

Nice touch!

Files where?

Carpeting looks good! How about Draperies?

Make The Office a Pleasant Place to Work *continued*

planning, design, construction or refurbishing of white-collar work areas. This means making a conscious analysis of your needs in each of these categories:

1. Space
2. Lighting
3. Noise level
4. Color

Space is the Place

Space—the area set aside for work—has an obvious relationship to costs in terms of the square foot measurement allocated to office functions. But the efficient assignment of space can get shunted aside when considerations like whim and custom are allowed to take precedence.

Some companies, bending over backwards to accommodate the status yearnings of their executives, earmark disproportionately large areas for use as executive suites and shortchange the space allotment for reception foyers, secretarial pools, rest areas and various departments. In short, "whim" is served, but not efficiency.

Custom also can muddy the waters. One leading office designer tells of going to costly extremes in laying out the New York quarters for a Japanese bank. The Japanese, it seems, were determined that each office in their American branch would command "a handsome view of the street outside." To achieve this, the designer had to gerrymander work areas horribly, rerouting corridors, abbreviating storage rooms. The result was an abundance of esthetic window exposures at the expense of badly composed working areas inside.

The whole subject of a "private" office is a matter that requires careful consideration. Much depends on the specific needs of the job.

"The use of the 'private' office may be advisable if the people who use it do work which calls for a great deal of concentration," says consultant Serge A. Birn. "Or if they are doing security work, or interviewing customers or job applicants."

A copywriter, doing creative work for an ad agency, may benefit from complete or partial privacy, but a typist or a draftsman may not. For some workers "togetherness" is a need.

At the same time, the experts agree, the open or large-room work area should be set up so as not to create the dulling impression of desks arranged in monotonously military ranks. Here is a clear-cut challenge for the modern office planner: to break the potential monotony of the unpartitioned office with selective use of screening, planting arrangements, asymmetrical desk groupings or other devices.



A pleasing office environment results from the use of well-designed desks, chairs, office machines, filing cabinets. By coordinating fabrics, ornaments, lighting fixtures and other decorative touches, the pleasant atmosphere is further enhanced.



Many firms have learned too late that they are a "horizontal" business inhabiting a "vertical" building. Relating work flow to space requirements thus becomes an important consideration.

Thinking ahead—allowing for future expansion of a department or of the entire company operation—is yet another consideration worth noting. And, don't assume anything when you are in the critical process of firming up construction of new or expanded space. Even a detail as small as the availability of a water cooler in the place where the president had always imagined it can become a troublesome point if the Grand Opening comes and the water cooler isn't where he thought it would be.

"Problems like this are almost always the result of inattention to detail in pre planning and contractual agreement," says one veteran builder. "I would rather drone through a lengthy check list before the cement gets poured than to wrangle over a missing facility later—something someone had assumed would be there."

Lighting—Avoid Extremes

With office lighting, as with other physical components of the total environment, avoidance of extremes seems to be the bench mark.

Too much light can be as much of a problem as too little, says consultant Joseph Fucigna. Studies by his firm of specialists have shown that worker performance "degrades rapidly" in situations where there are "extremes of temperature, noise or illumination."

Between the extremes there is a rather wide margin within which a worker will perform almost equally well because of man's inherent ability to adapt to his surroundings. "The range which he will accept, however, is narrower, probably because of the added effort he must exert to maintain performance."

The advice of a lighting engineer may be required in some instances, but in others—such as those involving an individual office and the light needs of its individual occupant—experimentation may be in order. Dark corners can present a challenge in older offices with small overhead banks of lights; table or floor lamps may have to be installed to illuminate shadow traps, and special desk fixtures also may be indicated.

Fluorescent or tube lighting is widely used in many modern offices because it provides more light per watt than incandescent (hot filament) lighting. In addition, it is cooler operating, longer lasting and assures a more uniform distribution of light. "Cool white" is generally preferred for



An open work area can be made an attractive, efficient and comfortable place for office tasks when the space, light and color have been coordinated.

large work areas, "warm white" for areas (lounges, reception rooms, etc.) where a softer, warmer effect is desired.

In planning for light, be sure to anticipate the specific needs of a particular area. There may be areas where you will want to use incandescent lighting for special effects, for example, and it is likely that you will want to choose desks with light-colored tops to reduce paper work glare in offices where cool fluorescent light is the primary source of illumination.

The Noise Boys

Office planners agree that the trend toward the open office has compounded the noise problem. For with the "bullpen" has come a train of noise-creating sources — ringing telephones, clacking typewriters, whirring office machines, and the busy buzz of people themselves, often at work in areas enclosed by smooth, hard surfaces which cause sound to reverberate (glass and plastic, for example).

Even with steady improvements in "noiseless" machines, sound continues to challenge the planners. Their counter-weapons are awesome. Carpeting. Draperies. Equipment hoods. Acoustical ceiling materials. Anything to soak up sound and get it down to the 40-55 decibels usually recommended for open work areas by the sound engineer.

In its publication, "How to Plan Your Office Space," the National Stationery and Office Equip-

Marlite has the right background for your business.



Consider the qualifications of Marlite Decorator Paneling. First, it lets you project the right business image by choosing a decorating theme from more than 70 beautiful colors, patterns and designs. (Is yours a company with strong character? Consider new Textured Wormy Chestnut, shown above.)

And Marlite helps you keep down the overhead. Its soilproof, baked-in plastic finish stays like new for years without painting or refinishing. Dirt, grease and smudges wipe off without a trace.

Installation? Another Marlite recommendation. Easy-to-handle panels go up fast over old walls or new framing with minimum interruption of normal activities.

See your architect or building materials dealer for Marlite samples and literature, or write Marlite Division of Masonite Corporation, Dept. 470, Dover, Ohio.

Marlite
plastic-finished
Decorator Paneling

Make The Office a Pleasant Place To Work *continued*

ment Association offers ten noise-reducing hints that any business can follow profitably. Among them:

Keep file cabinet drawers oiled, and in good repair.

Put pads under typewriters and other small machines.

Isolate office equipment teams into zones enclosed by ceiling-height acoustically treated partitions.

Use air conditioning so that windows can be kept closed.

And a note for your purchasing agent: Nearly every acoustical product on the market carries a numerical rating to indicate its average sound-absorption capability. The rating is known as the Noise Reduction Coefficient (NRC). An NRC rating of .70 means that about 70 percent of the sound that strikes the surface will be absorbed.

Color Me Contented

While Dr. Feinberg and other psychologists are frankly skeptical of the many claims made for the impact which wall and furnishing colors can have on office workers, it is pretty obvious that a drably painted or furnished room is not going to do much for employee esprit.

"I'll concede that myself," states Dr. Feinberg. "An office should be bright, pleasant, cheerful—and color can help to achieve those qualities. But I'm not ready to buy some of the more extravagant claims. Like one I heard which said that such-and-such color would inhibit napping on the job."

Chances are that your furniture supplier or builder can give you sound color advice. Interior designers know the subject well, and you might want to pay closest attention to them, for some problems in color are complex and subjective, requiring a careful match-up between the color preferences of individuals and a final effect that is livable.

Color can be used to suggest warmth, or coolness, to augment light or to reduce glare, to denote dignity, or to subtly stimulate a sense of ease, and at the same time, energy in workers. Many firms have taken to using pastel shades—greens, beige, blue—to create an atmosphere of coolness, calm and spaciousness for their employees. Green is widely believed to be a tension-relaxing color.

Reds and yellows are recommended where warmth is the sought-

for effect; mixing of colors is often advised in extra-large areas as a way to relieve monotony; light colors to make a small area appear larger.

Other Environmental Factors

In the effort to create a better worker atmosphere... and hopefully to increase efficiency and productivity... progressive management is constantly trying other office innovations. These range from experiments with office furnishings to such imaginative approaches as "interior landscaping."

The efforts stem from the generally accepted view that most office workers today come from reasonably well-fixed middle-class backgrounds. They expect to live at least as well at work as they do at home. That's one of the reasons why the modern, Danish or contemporary look is popular in many firms; its influence is evident in everything from chairs to abstract prints on the office wall. According to one New York psychiatrist, this style suggests a sense of well-being that rubs off, and reminds the typical worker of the way his own home is furnished.

Recent surveys by the Administrative Management Society show that more companies are investing in carpeting and other high-grade floor coverings in an effort to upgrade their physical environment. This not only has appearance value, but also forestalls complaints by female employees, who seem to be particularly conscious of foot comfort.

Background music is another popular item and one believed by some to promote increased productivity. Some companies are even toying with the "landscaped office"—an innovation from Europe. The landscaper uses lounge chairs, palm floral arrangements and various bric-a-brac to simulate a kind of country club atmosphere within the office.

National statistics which show long-term increases in output of office workers would seem to affirm business' efforts to make the white-collar environment more comfortable and appealing. Even the most hard-nosed analysts admit that improvement in the office setting can raise performance levels by from 5% to 15%. Not a tremendous range of improvement, perhaps, but nonetheless enough to convince many businessmen that their offices should indeed be made "a pleasant place to work."

To help you make **BETTER RECORD KEEPING** better and easier

A SPECIAL get acquainted OFFER



SAVES YOU 25%

on the remarkable
transfer file
that builds its own
steel framework



This limited offer available now through your office equipment dealer. See him today and save!

Ask your dealer for the No. 511-4B special...

4 STAXONSTEEL letter-size files plus an attractive steel base...
the unit that gives you 8 cubic feet of storage space.

We make this exceptional offer because we want you to discover this *best* way to file your semi-active records.

Each STAXONSTEEL drawer (12¼" x 10½" x 24") holds the contents of a full-size steel file drawer. By transferring correspondence or other inactive records to STAXONSTEEL files you relieve congestion in current files... speed up filing and finding.

STAXONSTEEL files combine the economy of high-test corrugated fibreboard and the strength of structural steel. Exclusive built-in steel framework (see illustration) supports entire weight of *each* STAXONSTEEL drawer. Loaded drawers slide open and close easily... there's no binding, no crushing, no sagging. Your records are always instantly accessible.

This offer is your chance to set up a modern record transfer system at a major saving. Do it now!

BANKERS BOX COMPANY

Dept. NB, 2607 N. 25th Ave., Franklin Park, Illinois 60131



S9



General Motors and
Ford agree on one thing...

Both bought the Apeco Super-Stat, leader in the low-cost copying field.

Cadillac or Continental . . . Fairlane or Impala . . . your choice is a matter of opinion. "The Apeco Super-Stat copies anything at lower cost," is a matter of fact. This and other benefits like easier operation, 3-dimensional and book copying versatility and desk-top portability even gets competitors to see eye-to-eye when it comes to buying a copymaker. If you too are looking for a low-cost way of copying, call your Apeco representative. He may be showing you how your competitors are doing it.



The new SUPER-STAT by

APÉCO®

...where the accent is on Excellence

Sales Offices or Authorized Representatives in all leading cities

AMERICAN PHOTOCOPY EQUIPMENT COMPANY / 2100 W. DEMPSTER STREET, EVANSTON, ILL. 60204

2 of these
20,000 BIC® textured
dynamite® balls have
a flat side.

They'll never make it out of the
factory door.



Not with BIC's quality-control team on the alert, they won't. A quarter of our employees are on that team and they make sure that every BIC pen that makes it out the door is a high-quality precision instrument. They make sure that every BIC pen writes first time, every time.

BIC's "Dynamite"® Ball is the hardest metal made . . . precision fitted into a solid brass nose cone that gives you a clean, high-intensity line. Won't skip, clog or smear, no matter how much punishment you give it.

Sure, two of these 20,000 BIC textured "Dynamite" Balls have flat sides. But don't worry . . . you'll never have to write with them. They'll never join the 4,000,000 BIC pens sold all over the world every day.

Your regular office supplier has BIC 19¢ Medium Point and BIC 25¢ Fine Point pens for every writing job. In blue, black, red or green inks. Call him.

WATERMAN-BIC PEN CORP., MILFORD, CONN.

The Idea of the Green Machines.

HERMES AMBASSADOR MANUAL

HERMES 300 MULTIPLIER

HERMES 0 NATURAL

HERMES 101 ADDER

Our machines are green. A particular shade of green we found to be most relaxing to the eye. The color least likely to interfere with the operator's efficiency (or clash with an office decor).

HERMES 105 ADDER

Our definition of what's pleasing to the eye is one of the more obvious ways in which we are distinctive from all other manufacturers of typewriters and figuring machines.

HERMES 109 ADDER

HERMES 107 CALCULATOR AVAILABLE SOON

Some of the differences seem simple enough. Like having none of our office figuring machines larger than a standard piece of office bond, or heavier than most portable typewriters...so it can fit any desk and go from job to job easily, quickly. Like having a rest for a stenographer's notebook directly above the keys of our office typewriters...eliminating the usual ping-pong motion of transcribing.

HERMES AMBASSADOR ELECTRIC

Like the notebook rest, many of the differences in our machines are so simple everyone but us has overlooked them in their machines.

HERMES 800 KEY

The differences in our machines come from our belief that all machines should be designed to perform specific functions. Like our Hermes Ambassador manual and electric typewriters...designed with a carbon ribbon for executive correspondence as well as a fabric ribbon for simple internal correspondence.

The choice of machine is far greater than manual versus electric. It's machines for executive correspondence. Machines for ordinary inter-office memoranda. It's machines for simple addition and machines for shortcut multiplication. It's machines like the ones we show on the opposite page. Machines for people who realize—and need—these differences of function.

HERMES 200 MULTIPLIER

From the simplest adder to the electric office typewriters, these machines are designed to help people perform their jobs in the most professional way possible by being the most sophisticated tools for the job.

HERMES 3000

Realizing the diverse jobs to be done in your office—and putting the right machine to the job—can make a difference in the work that goes out of your office. It has with ours.

For the name of the Hermes dealer in your area and additional literature and specifications on our entire line of typewriters and figuring machines, write Paillard Incorporated, 1900 Lower Road, Linden, New Jersey 07036.

HERMES A division of Paillard Incorporated, manufacturers of Bolex movie cameras.



The Profitable World Within

The Evolution of The Desk

Someone has said, "Put a desk in an empty building, or even on the sidewalk, and you have an office." And even though there are many other embellishments in today's office, there is definitely something indispensable about a desk.

For one thing, desks were the original, and for a long time the sole, item of office furniture. What a long way the primitive ones have come in evolving to the modern-day, trim, efficient units seen in the offices of secretaries and presidents alike.

It all began when monastic scribes of medieval times needed a convenient writing table, and the "scriptorium" was devised. This very first desk consisted of a high and narrow frame with a sloping writing slab. In that age, desks had little or no accommodations for storing writing materials and papers. Even later, as writing became more prevalent, papers were stored in separate chests or cabinets instead of in desks.

Finally, the English-speaking people of the 18th Century, being fond of furniture which served more than one purpose, popularized the bureau which provided drawers and pigeonholes for storage space. This type of desk had an upright frame with a writing slab that closed up into the sloping top. It was produced in great number on both sides of the Atlantic.





At the same time, there was another form of desk—the writing-table proper—which had a flat top with drawers. Just as this type was about to establish itself into its familiar modern form, a startling invention was introduced in France that was to supersede all other kinds of desks.

That invention was the "cylinder-top writing table," the grandfather of the American roll-top. Though the identity of the designer is uncertain, he is known to have lived in France, and a cylinder-top was in the possession of the French Crown in 1760. From then on, the cylinder-top grew into the most popular desk of the age. Its popularity was probably due mainly to its large size and the easy manner in which paper and drawers could be concealed when the top was pulled down.

Even though the cylinder design varied somewhat throughout Europe, a cylinder-top desk was constructed in France for Louis XV which will always remain the epitome of that genre and one of the most magnificent pieces of furniture ever made. Completed in 1769 after nine years of work, the desk was intricately decorated with inlaid woods, mouldings, plaques, vases and statuettes of gilt bronze.

In the United States, however, practicality was more often the designer than was elegance. So the



Hot soup from a water cooler?

Sure, or make it soup on the rocks.

New Oasis Hot 'N Cold is just the thing for timesaving instant soups, coffee, hot tea and chocolate.

The optional, refrigerated compartment supplies ice cubes. It's also a great place to keep soft drinks and snacks.

You'll get good things out of any Oasis: Refreshment. Savings. Trouble-free service.

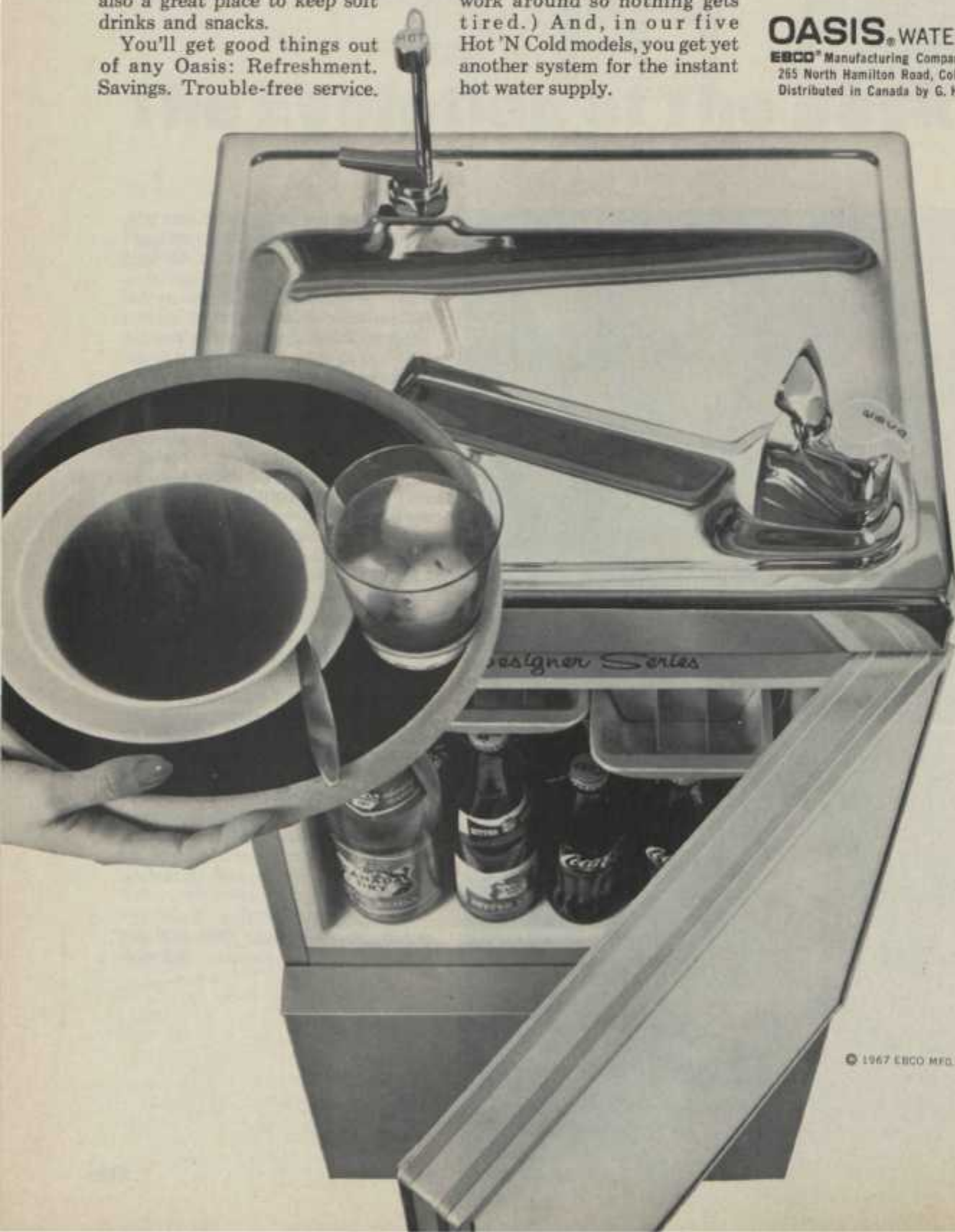
Because we put the quality in.

For example, this Oasis with refrigerated compartment has two separate sealed cooling systems. One for cool water, one for the compartment. (We spread the work around so nothing gets tired.) And, in our five Hot 'N Cold models, you get yet another system for the instant hot water supply.

Pick one of the 29 Oasis models that's perfect for poshest office, browniest plant or quaintest kitchen. Look under water coolers in the Yellow Pages, or write for our booklet.

OASIS® WATER COOLERS

EBCO® Manufacturing Company, Department D-31
265 North Hamilton Road, Columbus, Ohio 43213
Distributed in Canada by G. H. Wood & Co., Ltd.



The Evolution of The Desk *continued*

roll-top, an American version of the cylinder, became widely used in the 19th Century businesses. Not so elaborate as French models, the roll-top was built for workability with lots of pigeon-holes and paper space. In turn, the "standing desk" of the Gay Nineties was also very practical. Since businesses were often run by only one or two men, the owners could stand working at their desks and still keep an eye on customers passing through.

But after World War I, with ballooning business expansion, paper work became overwhelming, and neither of these two types of desks could handle all the work. Into offices came filing cabinets, card cabinets and private secretaries, and out went most of the old pigeon-hole upright desks.

Desk size was one feature that had to be altered as more and more space was needed in offices. Then, when it was discovered that a normal person could only reach 60" from side to side, and 30" in front, the basic desk size was established at 60" x 30". Later on, to meet the requirements of office conferences, the overhang top was added to executive desks.

The secretary's desk has also changed over the years. When expensive and sensitive electromechanical typewriters, calculating and dictating machines came into offices, the secretary's center or side fold-away style was too unsteady for use. Manufacturers were quick to design easy-to-adjust desks with extra side units for the added machines.

The evolution of the desk has progressed to what you see in offices today . . . and the efficiency, attractiveness, and space-economizing of modern desks and office furniture would undoubtedly startle the office workers of times past. The executive desk today, for example, can be custom-made with almost limitless refinements and fittings. Bars, refrigerators, radios, intercommunication systems and television are just a few of the custom built-ins.

Furthermore, whether desks are metal and formica, or beautifully-polished rosewood or teak, they have never been more attractive or more practical than they are today.

CUTS MONTHLY PHONE COSTS



EXECUTONE INTERCOM

Executone intercom breaks switchboard bottlenecks . . . takes inside calls off your phones . . . reduces costly call-backs . . . frees phones for calls to and from the outside—where the customers are! Provable savings on your monthly phone bill will pay for your Executone system . . . giving you the benefits of two channels of communication for less than the cost of one!

Executone—the *dependable* intercom—speaks clearly with a *natural* voice. Incoming calls are announced by soft chime and signal light. Reaches any number of stations from two up. Available with paging and confidential handset.

Find out how Executone can help reduce your telephone bill; send the coupon today. No obligation.

Executone

Dept. C-1, Austell Place,
Long Island City, N. Y. 11101

☐ Prove to me Executone can cut my monthly phone costs. Call for an appointment.

☐ I would like to receive your 16 pg. booklet "The Many Uses of Intercom."

Name _____

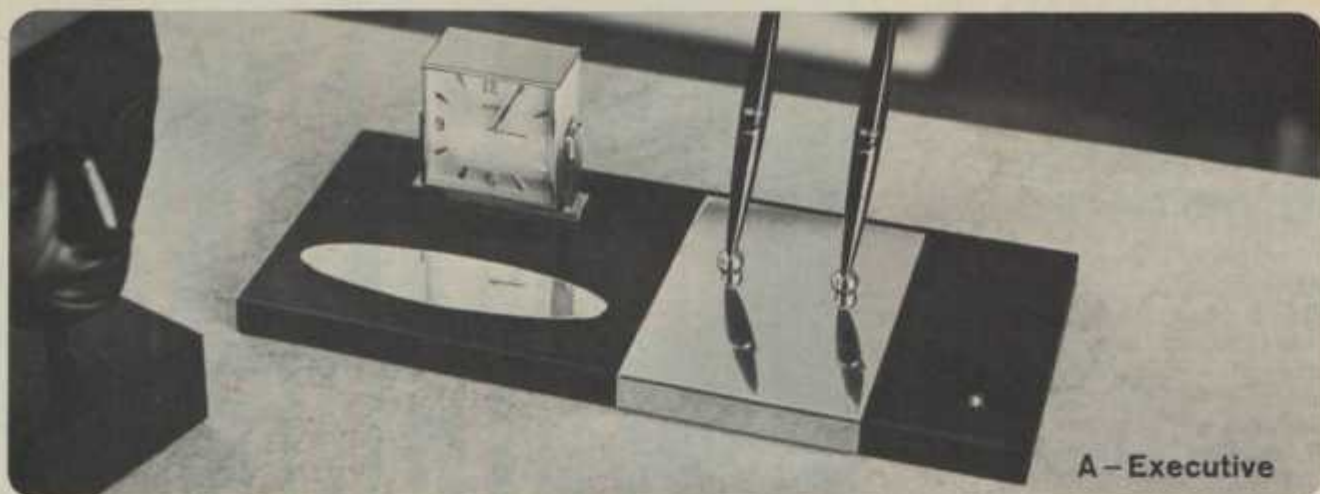
Company _____

Address _____

City _____

State _____

Phone _____



A - Executive



B - Supervisor



C - Secretary

A Parker desk set makes any desk a better place to work

A handsome Parker desk set not only makes an office more attractive, it also makes it much more efficient. No more searching for pens. No more messy records.

A. For the Top Executive. Elegant jet black crystal base. Double-faced clock with 8-day Swiss movement. Holds two famous Parker 45 pens. Desk set 371A—\$130.

B. For Supervisors. Sleek and beautiful, the base of Model 327A is jet black crystal with gleaming chrome trim. Just \$25, with one Parker 45 pen.

C. For Clerks and Secretaries. Deluxe Jotter ball pen set trimmed with gleaming stainless steel. Parker Jotter writes up to a year before refill is needed. Makes perfect

carbons without bearing down. Desk set 009B—only \$4.95. Other Jotter desk sets from \$2.95.

Ask your Parker dealer for information on Parker's complete line of desk sets—over 89 models to choose from.

PARKER

Maker of the world's most wanted pens.

Parker Pen Company, Janesville, Wisconsin

What's come over steel?

The new Lyon concept:

QUIET STRENGTH...WITH FLAIR!

You're looking at the forerunner of what others *may* offer in steel furniture...later! Every inch is *totally* new; freshly designed to provide greater strength, soundproofing and elegance per dollar than ever before!

Lyon desk tops are sturdily constructed of two layers of steel, the lower layer continuously ribbed for maximum strength. We made them the main structural member, from which all other members stem. Result: the greatest beam and torsional strength in the industry.

Back panels are double wall type, with honeycomb filler for complete soundproofing. Lyon pedestals are continuous-welded tubular structures which completely gird the front opening. These too, are *fully* sound proofed. Our exclusive "lock-in-top" feature controls *all* drawers, provides for interchangeability of pedestals.

We've sculptured our steel carefully, for less massive appearance, more leg room. Complete serenity is provided by double-walled drawers, lubric plastic glides, and rubber bumpers. To top it all off, there's a choice of 9 lustrous 100% acrylic finishes that will last with the furniture.

Can such features come without a premium price? Certainly! See your Lyon office furniture dealer! Ask him about the "unprecedented 7*" Lyon advantages.

*Patents Pending



LYON

OFFICE FURNITURE

Showrooms: New York, Chicago, Los Angeles

LYON METAL PRODUCTS, INC.
446 Monroe Avenue, Aurora, Illinois

- ☐ Send my free copy of your full color brochure.
- ☐ I'd like the name of my nearest dealer.

Name

Address


City State Zip

Me worry about
I've got a system-



You can't beat the system:

photocopying? -Coronastat.



**The machine, paper, supplies
and service that work best
together, and give me
crisp, clean, clear copies
without fail.**

Your copying problems end here.

No more worries about outside suppliers. Offbrand supplies.
Extra invoices. Or hidden charges.

With the Coronastat™ system, you get more than just a
dependable copier. You get a special kind of paper designed
to work with the machine. And special supplies. And a
special kind of service. And you get them all together.

You don't lose time with breakdowns. Don't have trouble
getting the right supplies. And you can relax—because
Coronastat service is built around an automatic inventory system.
To help our supplyman serve the rest of the system better.

All you have to do is make copies, and that's easy.

Machine. Paper. Supplies. Service. One balanced system,
one source, one invoice once a month.

One complete package for every copying need.

Coronastat. Your SCM representative will be happy
to arrange a demonstration. Call him today.



Coronastat



SCM CORPORATION,
410 PARK AVENUE,
NEW YORK, N.Y. 10022.
OFFICES IN CANADA AND MAJOR CITIES
THROUGHOUT THE WORLD

*The
Profitable
World
Within*



Filing — Key to Good Record Keeping

Of all the elements involved in good record keeping, none is more important than the filing system. That's why a file review from time to time is a sound office practice.

The system set up 10 years ago . . . or even two years ago . . . may be ineffective now. Or, the outdated filing equipment being used may actually be causing more expense in labor and space than new equipment.

Here are the basic filing systems used in offices today. Check them to see if your firm is utilizing the best possible methods of filing. You may find a system here, or an item of filing equipment, that is more suited to your specific filing needs.

Drawer Or Cabinet Filing System

This filing method keeps files neat, compact and, with special equipment, fireproof and theftproof. It allows you to add or remove a single record without removing the entire file folder, and is most convenient for frequently used files. For utmost economy, filing drawer cabinets are available with specific drawer sizes to fit almost every filing need, such

as: legal-size drawers, X-ray or jumbo, card-size drawers, ledger-size, divided or compartment drawers, and many other varieties.

This system does require aisle space for pulling out drawers, and is not generally recommended for inactive files which can be stored more economically.

Shelf Or Lateral Filing

The shelf method can save you up to 50% in filing and floor space, since it stores records on open and accessible horizontal shelves. The aisle space is lessened because no drawers are pulled out, with a minimum of 30 inches needed between shelves. This method is recommended for records which are consecutively numbered and when entire file folders are to be removed frequently, rather than single sheets. The cost of filing equipment is less than most other systems, too, in some cases requiring only standing shelves.

A disadvantage of these open files is the little protection they provide against dirt, fire or water. However, manufacturers now offer shelf cov-

ers which are particularly useful for protecting inactive files.

Side-opening Cabinet Filing System

This system provides the advantages of both drawer filing and shelf filing. The files consist of compartments that protect the contents when closed, but which drop out forward during the day, allowing full visibility for side filing. These compartments extend as little as six inches into the working aisle compared to the 28 inches used by drawer files. One type of side-opening cabinets have roll-out cradles for more convenient workability. These cradles can be adapted for card files, simple storage or legal sizes. The main advantages of side-opening cabinets is the space and convenience they provide for storage, yet they use two square feet less floor space than drawer files.

Suspended Vertical Folders

By using these hanging folders inside filing drawers, you can increase the speed of active, random filing at

a nominal cost. Folders keep papers up from the bottom of the drawer and visible, allowing more ease in actual file work. Inexpensive manila folders can be used inside the hanging folders to simplify transferring out at the end of retention period.

Suspended Lateral Folders

Hanging folders in lateral shelf files provide wider visibility and save labor as well as space. The cradle roll-out shelves are available with hanging files mounted on railing for extra filing and finding speed. The suspended-folder method of filing is also used for housing large, cumbersome sheets such as blueprints, charts and maps.

Mechanized Filing Systems

The various kinds of mechanized filing methods enable a filer to have access to thousands of files without leaving her chair. Examples are: the rotary unit, which moves records on a circular conveyor to as many filers as can be seated around it; and also the "Ferris wheel" type filing unit which rotates records from inside a 3 x 6 foot compartment, providing a seated filer with records equivalent to 40 drawers of files. Mechanized tubs do the same for cards, checks and other small, heavily-used records.

These motorized units are costly, but, like so many other modern automation investments, their purchase price is often repaid through great savings in labor and space.

Microfilm Filing

For extensive, detailed files which must be kept over long periods of time, microfilming is an excellent solution. In the past, this filing method was slow in developing wide usage because of the difficulty in reproducing copies of the material on file. Today, as well as viewing the material on a screen, you may have a printed copy at the touch of a button. Film storage cabinets for microfilm provide the most compact filing available today.

If you think a change is in order around your filing departments . . . or, if you simply want some expert advice on filing . . . contact your local office products dealer or office equipment salesman. They are trained to determine which filing systems best adapt to specific office situations and budgets. You'll find their floor samples of filing equipment and illustrated brochures to be helpful, too.

See what we mean:

Say you run a guitar shop and rent a Xerox 813 copier. With rental fees, meter charges, and supply costs, you pay \$63.00* a month for 1000 copies.

But, then you replace it with the new Dennison Compact Copier and pay only \$38.10 a month for 1000 copies. That's a 39.5% saving!

That's what we mean when we say the new Dennison Compact Copier delivers sharp, dry, permanent copies at the *lowest cost per copy* of any desktop copier! Contact your nearest Dennison Copier office or write on your company letterhead for a free Copy Cost Analysis comparing the Dennison Compact Copier with any desktop copier you care to name. Dennison Manufacturing Co., Dept. R74, Framingham, Mass. 01701

Dennison COPIER


*CALCULATED FROM MANUFACTURER'S LISTED PRICE SCHEDULE. ©DENNISON MFG. CO.

Now any office worker can do your bookkeeping

Any girl in your office can handle accounts receivable, accounts payable, inventory records and other accounting functions—and do them well, no matter how little bookkeeping experience she may have.

The McBee General Records Poster assures an accurate set of books. Procedures are straightforward—built-in controls protect you every step of the way. Related records are automatically in agreement, since they are simultaneously posted with one writing . . . an advantage that alone saves up to 75% in clerical time.

The McBee General Records Poster is the best possible solution to the needs of most small to medium-sized offices as well as larger, but decentralized, offices.

Make sure you know all the advantages of this proved way to bookkeeping efficiency. Send the coupon for complete information.




McBee General Records Poster

McBee Systems
A Division of Litton Industries
Practical Methods Center, Dept. 23-19-4
Athens, Ohio 45701

Gentlemen:
I am interested in knowing more about the McBee General Records Poster. Please send complete information.

Name _____ Title _____
Company _____
Street _____
City _____ State _____ Zip _____

McBEE 



WHAT'S BEHIND THE LOOK-ALIKES ?

A Lifetime Guarantee, that's what. And it's exclusive with Corry Jamestown. It protects your office furniture investment—practically forever. Workmanship, materials — both are covered by it as long as you own Corry Jamestown. Reassuring, isn't it? Find out for yourself. Stop in and visit our showrooms. Call or write for a free copy of the colorful brochure, *Complete Answer To All Your File Requirements*. Ask for a copy of *Lifetime Guarantee Questions and Answers*.




Here are your
tickets to a
3M Sweepstakes
success!



Win

 \$5,000 TO INVEST

 A THREE WEEK
TOUR OF NEW YORK,
LONDON, PARIS,
MILAN AND
FRANKFURT

 OVER 3,000
OTHER PRIZES

FIRST CLASS
PERMIT
NO. 25
ST. PAUL,
MINN.

BUSINESS REPLY MAIL

No Postage Stamp Necessary if Mailed
in the United States

POSTAGE WILL BE PAID BY

"HOW TO SUCCEED SWEEPSTAKES"

P.O. BOX 3026, DEPT. 216

ST. PAUL, MINNESOTA 55101

FIRST CLASS
PERMIT
NO. 25
ST. PAUL,
MINN.

BUSINESS REPLY MAIL

No Postage Stamp Necessary if Mailed
in the United States

POSTAGE WILL BE PAID BY

"HOW TO SUCCEED SWEEPSTAKES"

P.O. BOX 3026, DEPT. 216

ST. PAUL, MINNESOTA 55101

**Y,
ANOTHER
SUCCEED
NESS
UT
TRYING!"**

SEE ROBERT MORSE IN
MIRISCH BROTHERS
NEW HIT MOVIE.
"HOW TO SUCCEED IN BUSINESS
WITHOUT REALLY TRYING,"
RELEASED BY UNITED ARTISTS.



3M COMPANY "HOW TO SUCCEED IN BUSINESS SWEEPSTAKES"

ENTRY FORM

SURE! I would like to enter your "How to Succeed In Business Sweepstakes" for business and professional men. Contact me for a personal demonstration of the 3M Machine I have marked below. Please give me a free "Stocks & Bonds" 3M Bookshelf Game if I am among the first 3,000 entrants.

- ☐ 3M "209" Automatic Copier
☐ THERMO-FAX "Secretary" Copier
☐ 3M "107" Copier
☐ 3M Statement Machine

NAME _____ POSITION _____
 FIRM _____ PHONE _____
 STREET _____
 CITY _____
 STATE _____ ZIP _____

3M COMPANY "HOW TO SUCCEED IN BUSINESS SWEEPSTAKES"

ENTRY FORM

SURE! I would like to enter your "How to Succeed In Business Sweepstakes" for business and professional men. Contact me for a personal demonstration of the 3M Machine I have marked below. Please give me a free "Stocks & Bonds" 3M Bookshelf Game if I am among the first 3,000 entrants.

- ☐ 3M "209" Automatic Copier
☐ THERMO-FAX "Secretary" Copier
☐ 3M "107" Copier
☐ 3M Statement Machine

NAME _____ POSITION _____
 FIRM _____ PHONE _____
 STREET _____
 CITY _____
 STATE _____ ZIP _____



Just take a card...any card!

FIRST 3,000 ENTRANTS

WIN



**FREE
 "STOCKS
 & BONDS"
 GAME
 (A \$7.95 VALUE!)**

An exciting new 3M Bookshelf Game of stock market investments. Hours of entertainment as you buy and sell to make a million.

WHAT'S BEHIND THE LOOK-ALIKES ?

A Lifetime Guarantee, that's what. And it's exclusive with Corry Jamestown. It protects your office furniture investment—practically forever. Workmanship, materials — both are covered by it as long as you own Corry Jamestown. Reassuring, isn't it? Find out for yourself. Stop in and visit our showrooms. Call or write for a free copy of the colorful brochure, *Complete Answer To All Your File Requirements*. Ask for a copy of *Lifetime Guarantee Questions and Answers*.





“HEY,
HERE’S ANOTHER
WAY TO SUCCEED
IN BUSINESS
WITHOUT
REALLY TRYING!”

SEE ROBERT MORSE IN
MIRISCH BROTHERS
NEW HIT MOVIE,
“HOW TO SUCCEED IN BUSINESS
WITHOUT REALLY TRYING,”
RELEASED BY UNITED ARTISTS.

WIN:

A FABULOUS FINANCIAL FUTURE!

3M COMPANY "HOW TO SUCCEED IN BUSINESS SWEEPSTAKES"

GRAND PRIZE



WIN

\$5000 TO INVEST...



WIN

A 3 WEEK TOUR FOR 2 TO LONDON,
PARIS, MILAN, FRANKFURT
AND NEW YORK AND VISIT THEIR
WORLD FAMOUS STOCK EXCHANGES

You're an instant financial wizard! And you'll have the cash to back you up. \$5,000 is yours, all yours, to invest. And to see where the wheeling and dealing action is, go on a three week grand tour of London, Paris, Milan, Frankfurt, and New York. Study their Stock Exchanges and their night life. A Trans World Airlines Star Stream Jet will fly you there in luxurious comfort. Stay at the finest hotels. Eat at the finest restaurants. A chauffeur driven limousine is at your command. A trip for two . . . all expenses paid. So go ahead, any business or professional man can win!

...OR WIN OVER 3000 OTHER PRIZES!

1 WILL WIN



Triumph Spitfire Sports Car This high performance, 4 cylinder driving joy can be yours. With a 4 speed stick shift, stylish hard top, and white sidewall tires.

5 WILL WIN



RCA Victor 25" Color TV Console The ultimate in dependable color TV viewing. Magnificent cabinetry will add style as well as a new dimension in entertainment to your home.

10 WILL WIN



Mink for "Him" and "Her" A beautiful autumn haze mink stole for "her" and a set of four matching golf club covers for "him" . . . in mink, of course!

50 WILL WIN



Accutron Electric Watches by Bulova —the latest and most advanced electric watch in the world! The ultimate in accuracy.



**THE FIRST
3,000
ENTRANTS
WILL WIN
"Stocks
and Bonds"**

Unique New Stock Market Game. (\$7.95 value!) An exciting new 3M Bookshelf Game for investors and speculators of all ages and incomes. Lets you buy and sell to make a million. It can be yours, free!

**ANY BUSINESS OR
PROFESSIONAL MAN CAN
WIN . . . NOTHING TO BUY.
JUST TURN THE PAGE!**



"SURE YOU CAN WIN!"



"HOW TO SUCCEED IN BUSINESS SWEEPSTAKES"

"JUST SEE A DEMO OF ANY OF THESE 3M MACHINES!"

3M "209" Automatic Copier.

Finest quality copies as low as 3 1/4¢ each. Just press a button to copy from all originals, even colored pages in books... automatically.



3M "107" Copier.

The low cost cousin to the "209" that makes perfect quality copies from all originals. Sits right on your desk-top, doesn't need chemicals or powders.

THERMO-FAX Brand "Secretary" Copier. White copies, 4 seconds fast. The fastest, most convenient copier you can buy.



3M Statement Machine

makes itemized statements instantly. Cuts billing time up to 80%, speeds collections.

"Mail an attached entry card and pass the extra cards along to business friends. Be a sport!"

Hurry... Sweepstakes Closes May 15

Look to 3M for imagination
in image-making!



"AND FOLLOW THE RULES."

1

Decide which "Thermo-Fax" or 3M Brand Copier you would like to see in action. Nothing to buy. There's one to make *your* business more successful.

2

Complete and mail one of the attached entry forms, asking for a free demonstration. Entries must be postmarked by May 15. Demonstrations must be seen by June 9. Winners will be drawn by Adams-Burke Corporation, an independent judging organization whose decisions will be final. No substitutions will be made for any prize offered. (Please pass along the extra entry forms to business friends. Help them succeed, too!)

3

Winners will be notified by mail. A complete list of winners will be sent to anyone mailing a stamped, self-addressed envelope to "How To Succeed Sweepstakes" headquarters. Offer void wherever prohibited by law, limited to the United States. (Offer restricted to business and professional men in areas where it is made available by 3M Dealers. Employees of 3M Company and their families, its dealers, and advertising agencies of either 3M Company or its dealers are not eligible.)



ANY BUSINESS OR
PROFESSIONAL MAN CAN

Win!

 \$5,000 TO INVEST
 A GRAND 3 WEEK TRIP
 OVER 3,000 OTHER PRIZES

*Just mail a card to enter
...and give the other three
to your business associates!*



each other, the higher their efficiency rating!

A good secretary can save one-third to one-half of her boss's time. A good boss, in turn, tries to save as much of her time as he can. This makes her feel like an important member of that all-important team—the boss and his secretary.

Your own team of two can increase its productivity and efficiency with just an added cooperative effort now and then during the day. Then, once you really begin working as a team, you can't help but save time and energy. And in the business world that means saving money!

3M COMPANY "HOW TO SUCCEED IN
BUSINESS SWEEPSTAKES"

ENTRY FORM

SURE! I would like to enter your "How to Succeed In Business Sweepstakes" for business and professional men. Contact me for a personal demonstration of the 3M Machine I have marked below. Please give me a free "Stocks & Bonds" 3M Bookshelf Game if I am among the first 3,000 entrants.

- ☐ 3M "209" Automatic Copier
☐ THERMO-FAX "Secretary" Copier
☐ 3M "107" Copier
☐ 3M Statement Machine

NAME _____ POSITION _____

FIRM _____ PHONE _____

STREET _____

CITY _____

STATE _____ ZIP _____

3M COMPANY "HOW TO SUCCEED IN
BUSINESS SWEEPSTAKES"

ENTRY FORM

SURE! I would like to enter your "How to Succeed In Business Sweepstakes" for business and professional men. Contact me for a personal demonstration of the 3M Machine I have marked below. Please give me a free "Stocks & Bonds" 3M Bookshelf Game if I am among the first 3,000 entrants.

- ☐ 3M "209" Automatic Copier
☐ THERMO-FAX "Secretary" Copier
☐ 3M "107" Copier
☐ 3M Statement Machine

NAME _____ POSITION _____

FIRM _____ PHONE _____

STREET _____

CITY _____

STATE _____ ZIP _____

BUSINESS REPLY MAIL
No Postage Stamp Necessary if Mailed
in the United States

POSTAGE WILL BE PAID BY

"HOW TO SUCCEED SWEEPSTAKES"
P.O. BOX 3026, DEPT. 216
ST. PAUL, MINNESOTA 55101

FIRST CLASS
PERMIT
NO. 25
ST. PAUL,
MINN.

BUSINESS REPLY MAIL
No Postage Stamp Necessary if Mailed
in the United States

POSTAGE WILL BE PAID BY

"HOW TO SUCCEED SWEEPSTAKES"
P.O. BOX 3026, DEPT. 216
ST. PAUL, MINNESOTA 55101

FIRST CLASS
PERMIT
NO. 25
ST. PAUL,
MINN.

*Be a 3M Sweepstakes
Success!*

**JUST MAIL A CARD
...AND BE A SPORT, GIVE
THE OTHER CARDS TO
YOUR BUSINESS OR
PROFESSIONAL FRIENDS!**

***HURRY: SWEEPSTAKES
CLOSES MAY 15!***

Thermofax makes
itemized statements instantly.
Cuts billing time up to 80%.
speeds collections.

*"Mail an attached entry card
and pass the extra cards along to
business friends. Be a sport!"*

Hurry...Sweepstakes Closes May 15

Look to 3M for imagination
in image-making!

3M
COMPANY

THE TERMS "THERMO-FAX" AND "SECRETARY" ARE REGISTERED TRADEMARKS OF 3M COMPANY.



*The
Profitable
World
& Within*



The Secretary & The Boss

The teamwork of a secretary and her boss is one of the mightiest forces in the world. Together, they do things that neither one could do alone; they head corporations, manage stores, construct buildings, create advertising, preside over banks, write books . . . even govern the country. Cooperation between them is the real key to their teamwork. The more they help each other, the higher their efficiency rating!

A good secretary can save one-third to one-half of her boss's time. A good boss, in turn, tries to save as much of her time as he can. This makes her feel like an *important* member of that all-important team—the boss and his secretary.

Your own team of two can increase its productivity and efficiency with just an added cooperative effort now and then during the day. Then, once you really begin working as a team, you can't help but save time and energy. And in the business world that means saving money!

KO-REC-TYPE

(The world's largest selling typewriter correction paper!)

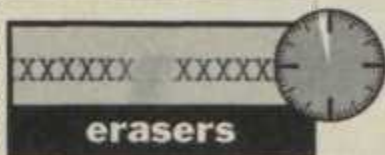
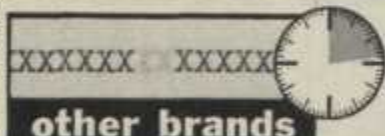
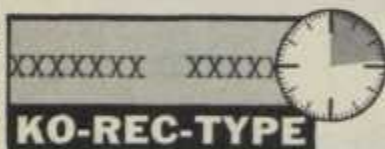


...per girl
...per typing error...



This is the greatest time-saver in clerical work today. Typists can just "type" away errors in seconds...

KO-REC-TYPE offers neater and faster typing corrections than other brands of correction papers... or "old-fashioned" erasers.



Available in a variety of packages (from "stick-on" dispensers that adhere to typewriters or desks, to individual folders, etc.) suitable for any typists needs.



EATON ALLEN CORP.

67 KENT AVENUE
BROOKLYN, NEW YORK 11211

Manufacturers of KO-REC-TYPE, KO-REC-COPY, Carbons, Ribbons, and Office Duplicating Supplies.



The Secretary

For secretaries: your first point of full cooperation is to remember that you're there to serve your boss—it's your own special mission. You're his "alter ego," his other brain which is to remember things he forgets and be aware of things he needn't be bothered with. Don't waste time and energy trying to change him or alter his judgment. Instead, adapt to his habits and ways of work in order to make the most of his particular business talents.

Your role is strictly functional; so learn the ways you can serve him with the least possible bother to him. One secretary puts it this way: "... being a perfect secretary is knowing how to perfect your boss... to make him as effective as possible to his company and the entire business world." This is an unselfish job... with behind-the-scenes work and not much limelight for you. But once your boss knows you're concerned with his success, you'll win his complete confidence and more responsibility as his aide.

Besides supporting your boss 100% at all times, there are other qualities you can polish up daily in order to improve upon your secretarial worth: your industry for details and follow-through, your tact and courtesy in dealing with his customers and clients, your self-possession when he's flustered, your initiative when he's gone.

Just to see if you're doing your best to add to the teamwork between you and your boss, ask yourself these questions. If you can answer at least five of these with "Always," your boss has a topflight partner!

	Always	Sometimes	Never
1 Can your boss depend on you to be punctual? To be alert? Cheerful?			
2 Do you remain at your desk as much as possible?			
3 Can you keep confidential information secret?			
4 Do you transcribe the most important letters first, or ask which are most important if you don't know?			
5 Can you compose letters that sound as though your boss wrote them?			
6 Do you practice quickening your pace by reading faster, talking faster and more to-the-point, and by consciously cutting down on office "breaks"?			
7 Do you make an effort to learn all you can about your company's business field and how your company is progressing in it? By doing so, you're more of an asset to your boss.			
8 When your boss is out of the office, can you cope with emergencies? Can you "act as he would act"? If not, learn how to do it.			
9 Can you anticipate your boss's needs, do what is to be done without being told before he has a chance to worry about it? This kind of help is a pleasant relief for a busy man.			
10 Do you make it a practice to set aside a certain time each day to discuss work, problems and questions with your boss and list these things on paper so you can ask them all at once instead of by numerous interruptions during the day?			

& The Boss



For the executives: you, too, have daily opportunities to prune away inefficiency which will permit you and your secretary to work better together. After all, she takes care of the million-and-one details that are important to your own success and productivity; so it's worthwhile for you to practice cooperation to make her job run more smoothly.

One efficiency hinderance between secretaries and their bosses seems to be a lack of communication. Many secretaries are afraid to ask questions when they're unsure or they feel that their boss is too busy to talk about details. Therefore, those extra minutes spent each day thoroughly briefing your secretary with all the facts, and inviting her questions, more than pays off in the long run. She can work for you much better when she's completely sure of herself and the assignment she's doing.

She can also perform her work better with top-grade office equipment and supplies. Remember, too, the appearance of the secretary's work station can add or detract from your office. Therefore, select furniture and fixtures that harmonize with your own, not only for the good impression it makes on visitors, but to further strengthen the concept of teamwork between you and your secretary.

Here are ten questions for bosses to ask themselves on points that can affect this two-way teamwork. If you can answer at least five of these with "Always," your consideration marks you as an "Office Hero!"

- | | Always | Sometimes | Never |
|--|--------|-----------|-------|
| 1 Do you try to get most of your dictation out of the way in the morning, so your secretary can plan her day around rush items? | | | |
| 2 Are you organized before you start dictating? (This can save your time and hers.) | | | |
| 3 Do you try to eliminate overtime work as much as possible? | | | |
| 4 Do you keep your secretary unfailingly informed as to your whereabouts and when you'll return? Do you call her when you're going to be late getting back to the office, so she can offer explanations for your appointments? | | | |
| 5 Do you invite questions from her after you've given instructions? This may save mistakes later. | | | |
| 6 Do you explain the reasons behind her tasks, inform her of overall objectives for projects? By doing this she can be of more help to you in accomplishing these objectives. | | | |
| 7 Do you help her to learn about your business so that she can feel more a part of it? | | | |
| 8 Have you ever asked her if there are areas of her job she really dislikes... and then tried to improve upon those areas for her? | | | |
| 9 Do you clearly point out her responsibilities to her, so that she knows exactly which things are her duties and which things only you can handle? | | | |
| 10 Do you make it a practice to compliment her when she does an exceptionally good job? If you do, she'll work for that same compliment on the next assignment. | | | |

Meet wage hour law...



Accurate records are required by companies subject to the strict wage-hour law. Clock-stamped time cards provide *proof of compliance*. And, production increases through greater employee respect for time. Latham offers low-priced side-printing models, such as above, for recording payroll and job time. Various inexpensive, automatic models provide error-free, one and two column payroll accounting. Whatever your need, Latham can supply.

LATHAM TIME RECORDER COMPANY
2123 Marietta Blvd. NW, Atlanta, Ga. 30325

Send me complete information and prices, also payroll time card samples.

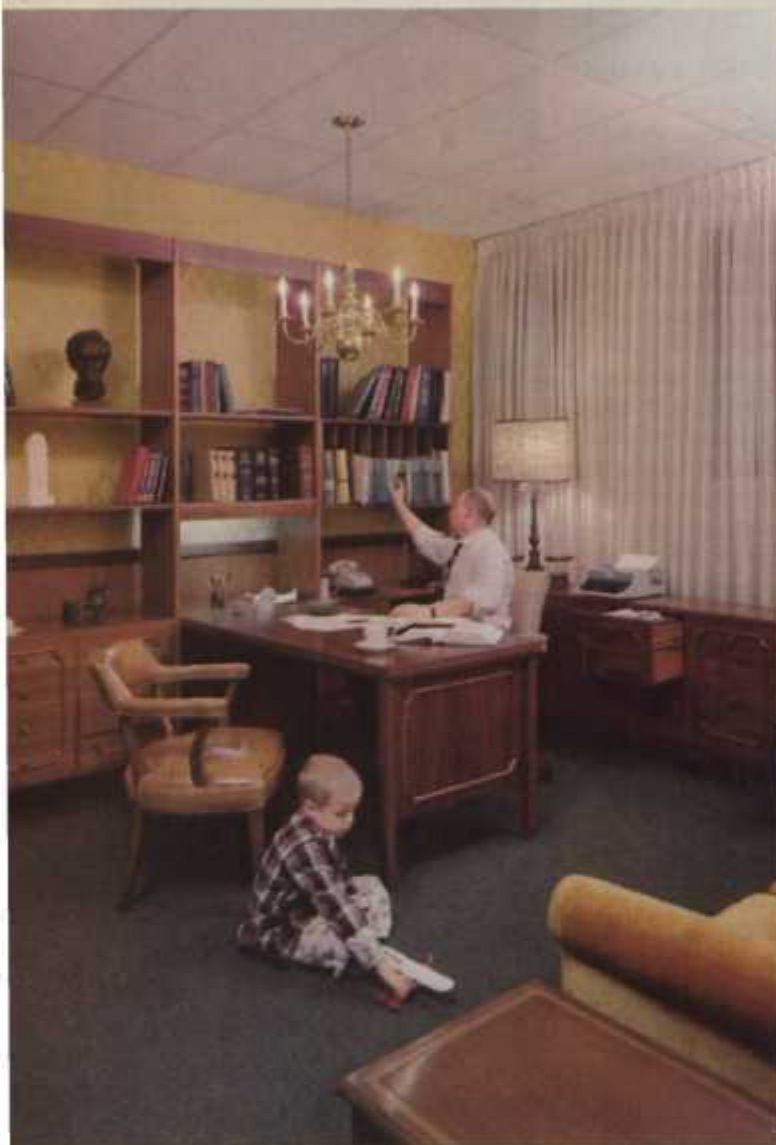
Name

Company

Address

Latham

TIME RECORDERS
PROGRAM TIMERS
TIME STAMPS
WATCHMAN CLOCKS



This full-room office is arranged for top working efficiency, yet has home-like warmth and attractiveness. The upright bookshelves offer liberal storage space for both business and home use. Built into these shelves are convenient vertical files for frequently-used folders. The area under the rear counter includes built-in file drawers for the increasing records that must be kept for household and professional purposes. It also contains a sliding shelf for a dictaphone which can be concealed when not in use. The ceiling is acoustical tile. Carpeting and drapes also help deaden unwanted noise. The total effect is a pleasing blend of function and decor.



For the home office that must be built into a smaller section of a room, an attic or basement, space becomes important. The office pictured here has been designed to provide a maximum working area in a compact yet convenient arrangement. Lots of flat surfaces—for spreading out papers or blueprints—are made even more functional by adding shelves and drawers beneath the counters. The vertical files, suspended from the wall, save floor space. Note the handy wall extension phone which also saves space. The overhead lights can be turned in several directions to provide direct lighting all along the work counter. Proper planning and good design can convert a small, poorly lighted corner into a bright and functional home office.

The
Profitable
World
Within

Your Office at Home

Picture a busy businessman... someone like yourself... taking home extra work to do over the weekend. He needs to research a project, make up an outline for it, and write two important letters that can't wait until Monday.

At home, his desk in the family room is piled with schoolbooks, papers and letters, and other items belonging to the family. By the time he gets things cleared away, the TV goes on. He can't find his letterheads, and then discovers the typewriter needs a new ribbon. Before long, he has had to abandon the effort of getting any effective work done and probably sacrificed some valuable business time in the process.

His problem was his office at home—a room or area which is rapidly becoming a necessary part of today's home. With the increasing amount of home paper work facing families, and the growing number of business and professional men who take work home, more and more people are setting up a home office specifically for business. Your home no doubt has such an area.

But as the situation described above points out, the home office is often in need of better planning and arrangement in order to make it truly functional. Whether your home office consists of a desk in one corner of the living room, or a separate room equipped with all the accoutrements of business, here are some ways to help assure its efficiency and your own.

The location of your work area, even if used only occasionally, is one of the most important factors to your work quota. A small well-organized desk, placed in a quiet room of the house, or perhaps in the basement, suffices as an office for many families. But avoid the temptation of setting up your desk in the den or a room where the family congregates. Not only will you be frequently distracted, but the desk will more than

likely become a catchall for a vast assortment of stray items. If possible, invest in a comfortable posture chair, which will be just as important to your productivity as it is in your regular office.

If you have an entire room which is used for your home office, be sure of the heating and cooling comfort, and the lighting. Today's modern hi-intensity desk lamps are a practical solution even for the darkest basement room. The main objective is setting up an area where you can work in comfort and quiet. Otherwise, you'll hesitate to use the office as often as you should.

Once your work area is established, the next step is to make sure it is functionalized for your own particular needs. One obvious function is the centralization of your family paper work, which is increasing just as it is in business. E. B. Weiss, well-known prophet on marketing trends, observes, "The amount of home paper work has increased quite remarkably. This has been brought about by tax situations, by the vast increase in personal checking accounts, in mutual funds holdings, in life insurance and social security. The enormous increase in homeownership has multiplied the paper work at home—more taxes, more maintenance records, more records of planned projects. Even calorie counting—a national pastime—involves some paper work."

To accomplish the family record keeping with reasonable efficiency, the home office should be equipped with such convenience items as a stapler, scissors, pencil sharpener, clock, calendar, desk pad, postal scale, as well as with adequate supplies of paper, pencils, envelopes, carbon paper, binders. A portable typewriter is almost a necessity and a small, home adding machine will have many uses.

A family filing system is essential. Peter S. Nagan, economist and syndi-

cated financial writer, offers the following list of separate files that might be set up to accommodate home and family records:

Automobile—Purchase, payment and repair records.

Bank accounts—Bank statements (not checks and check stubs which become too bulky), savings account pass books.

Church and charity—Contribution records, as well as correspondence or background information on volunteer work.

Household maintenance—Purchase, payment and repair records on items bought for the home or improvements made. (Good place to keep all those guarantee and warranty documents.)

Income taxes—previous years' returns and information being collected for the next filing.

Insurance—Correspondence, beneficiary designations—but not policies which should be kept in a separate fireproof strongbox or home safe.

Investments—Records of purchases and sales. Background information on investments in which you have an interest. (Stock certificates belong in a safety deposit box, home safe or other repository that is fireproof and theftproof.)

Medical and dental—Correspondence, bills, immunization records, health certificates, etc.

Real estate—All records, correspondence, etc., that have to do with the purchase and payment of real estate. Also real estate tax receipts. (Deeds and titles, like other valuable documents are best kept in a fireproof box or home safe.)

School—Anything having to do with education, college entrance papers, grade transcripts, report cards, diplomas (for you, or your children).

Unpaid bills—Where to file the open accounts until they are paid.

"There are, of course, many other files that a family can add to this

Your Office at Home *continued*

list," Nagan points out. "A father active in Boy Scouting might need a separate file for the paper work this generates. Or the lady of the house, a file for her bowling league records. I have a file called 'Family—miscellaneous' which holds such items as birth certificates, discharge papers, passports, a variety of certificates and awards won by my children in sports. They're not exactly business records—but they are valuable keepsakes."

Your filing system might be as simple or elaborate as you wish. If it comprises a fair amount of volume, a small attractive filing cabinet can be functional as well as decorative.

The home office, which is primarily used for an extensive amount of business or professional work, necessitates more planning than a relatively simple household work station. It means furnishing the office with the proper equipment for your business productivity. You need to install a typewriter, adding machine, dictating equipment, or whatever your work calls for. If you continually need the use of a telephone while working at home, invest in an extension at your desk. If you need to meet people at your home office, it's important that it's arranged comfortably and attractively to accommodate them. Above all, try to maintain as much of a business-like atmosphere as possible. Otherwise, your office at home may hinder your business effectiveness rather than help it.

Whatever the functions of your home office, there are certain hazards everyone faces when trying to work well in a home environment. Once you've overcome these, and made your office as workable as you can, you'll be surprised at the amount of work you can do at home . . . with efficiency.

The Possible Tax Advantages of The Office at Home

It's been estimated that 68% of men on the management level take work home with them at least once a week. In many instances, where the nature of this work meets certain criteria, the "home office" can qualify for a tax deduction.



Cosco office furniture has many saving graces

As comfortable as it is carefully designed, Cosco office furniture saves your people. Saves their time and energy. Makes them more efficient.

As rugged as it is functional, Cosco office furniture saves you money on maintenance.

As broad as it is versatile, the Cosco line (now including lounge units as well as desks, chairs, credenzas, and tables) saves you the trouble of having to buy from several sources.

So see it all . . . the 40 Series Contemporary Chairs, the 77 Series Desks and Credenzas, and all the other great new office furniture from Cosco.

Find your Cosco dealer in the yellow pages or write Dept. NB-47, Hamilton Cosco Inc., Gallatin, Tennessee.

COSCO where
OFFICE the new
FURNITURE ideas are

Hamilton Cosco Inc., Office Furniture Division, Gallatin, Tennessee

If you're one of these business and professional men who work at home, your own office in the home may be a tax advantage for you, too. Provided that your home office is clearly used for business purposes, and is equipped with proper furniture and business items such as typewriters, filing cabinets, etc., here are some of the deductions you may be able to claim:

1. Depreciation on the furniture and equipment used in the home office.
2. Depreciation or expense involved in the decorating of the home office such as painting, rugs, draperies, accessories normally used in an office.
3. The total cost of office supplies used in the home office such as letterheads, envelopes, carbon paper, and postage.
4. A proportionate share of the other expenses, such as heating, lights, normal telephone usage, realty taxes, insurance and even repairs to and depreciation on the home. The cost of long-distance business calls and depreciation on the office furniture and equipment is figured at the same rate as if used at the regular place of business.

For the homeowner, there are three formulas for determining the amount of maintenance and depreciation deduction that can be made for the home office. One of these is based on the number of rooms in your home. If, for example, one room of your eight-room house is used only as an office, one-eighth of the overall household expenses can be deducted. This would include taxes, depreciation of building, heating, light, air-conditioning and other household maintenance expenses.

Another method for determining the percentage of deduction is to measure the square footage in your house used as office space. Apply this footage to the total square footage of the house, and this percent can be deductible from the total household expenses.

As a third solution, you may be able to deduct a flat amount permitted as a business expense, which is comparable to the amount you would pay for similar accommodations other than in your home.

In all instances, however, consult your accountant, or contact the Internal Revenue Service to be certain of any tax advantages you can take for operating an office at home.

We'll turn any employee into an electronic calculator expert in one minute flat. That's how easy it is to learn to operate a Canon.

These totally reliable desk-top calculators do everything. Easily. They add, subtract, multiply, divide, figure mark-up and mark-down... you name it. And they do it in split-seconds. Without making a sound. What's more, the results appear in big, easy-to-read illuminated numerals $\frac{1}{2}$ " high. And best of all, world-famous Canon calculators cost little more than yesterday's outmoded rotary machines.

If you're thinking about calculators, the only real question you need ask is which Canon is right for your requirements. Both are unconditionally guaranteed for a full year.

Canon 161. Newest model, with 16 digit capacity. Two flexible memory banks accumulate data for all mathematical functions. Automatic overload signal warns when amount entered exceeds keyboard or memory capacity. Completely automatic decimal system.

Canon 130. World's most popular desk-top electronic calculator. With 13-digit capacity, flexible memory bank, automatic decimal system.

Mail the coupon today for literature and a free demonstration in your office. Naturally, there's no obligation.



Now anyone in your office can be the swift, silent, calculating type.

All it takes is a new Canon.

Canon
ELECTRONIC CALCULATORS

CANON U.S.A., INC.
550 Fifth Avenue
New York, N.Y. 10036

☐ Please arrange a demonstration of the Canon Electronic Calculator, in my office.

☐ No demonstration, please. I want to read more about it first. Send descriptive literature.

Name _____

Company _____

Address _____

City _____

State _____

Zip _____

Phone _____

How a Shaw-Walker Clutter-Proof Desk Cuts Costs



Cuts Costs by simplifying desk work. Organizes all paper work and all working tools into definite, easy-to-find groups, arranged for the greatest convenience of each user.

Cuts Costs by reducing errors. Eliminates the three major obstacles to accuracy, namely, disorganized working papers, overcrowded desk tops, and cluttered desk drawers.

Cuts Costs by boosting output. Hunting and fumbling disappear. Things don't get lost. All work flows easier. Some users report production increases up to 30 minutes a day.

Cuts Costs through flexibility. Each basic model can be . . . expanded . . . converted or rearranged . . . to fit any degree of job specialization. You need fewer kinds of desks.

Cost-Cutting Clutter-Proof® Desks in six styles are pictured in our 270-page Office Guide . . . To see them, phone your local Shaw-Walkerman or write:

SHAW-WALKER

Largest Exclusive Makers of Office Equipment
25 Division St. Muskegon, Michigan 49443

The
Profitable
World
Within

21 ways to cut office costs

A check list of ideas that can be used by almost any company

The dynamic pace of business today seems to focus most executive attention on the goals of profit and growth. Yet, the old-fashioned virtue of cost-consciousness still offers substantial rewards, particularly when business is faced with burgeoning paper work, increasingly complex record keeping requirements, and the availability of more sophisticated machinery to accomplish it all.

To keep these continually rising costs from cutting into profits, the businessman must be alert to day-to-day opportunities for eliminating duplication, waste and spoilage. The suggestions listed below will give you a start in that direction. While providing ideas that can be applied immediately, they will also challenge your ingenuity in finding related areas where savings can be effected.

1. Encourage managers to stay abreast of all the latest developments in equipment so that work in their departments can be handled with maximum efficiency and a minimum of personnel.

2. Be "obsolescence" conscious. The mere fact that an old piece of equipment still functions may not justify keeping it around. Minor flaws can be rob-

You'll want to write for this booklet—a basic reference for planning good office layout.





Greatly improved "read-out" methods are increasing the usage of microfilm in business.

21 ways to cut office costs *continued*

bing efficiency. A superior replacement could dramatically increase productivity.

3. Let others know when a department buys a piece of equipment that will not be used every hour of the day, so that they may utilize it during idle periods.

4. Don't overlook service contracts. Most office equipment dealers, for a modest fee, will assume responsibility for servicing the machines they supply, and save you the expense of big unexpected repair bills.

5. Periodically review all forms. Eliminate or consolidate forms whenever possible. This will save processing time, filing and storage space.

6. Before designing a new form ask your office supply dealer if there is already a standard form you might be able to use. This can save design, production and inventory costs.

7. Use color coding where instantaneous identification would be helpful. For example, different colored forms for different departments or divisions.

8. Check out innovations in filing, such as shelf files, side-opening files, automatic files, tub files and other possibilities for space saving, improving access, and speeding up file handling.

9. Consider microfilming records that are stored in relatively large quantities and are retained for long periods of time.

10. Establish a record retention program that provides for automatic destruction of files and other stored materials as soon as they become of no further value. An annual "clean up day," in which all office employees participate, can free a surprising amount of storage space. (Send 40¢ to Superintendent of Documents, Government Printing Office, Washington, D.C. 20402 for "Guide to Record Retention Requirements.")

11. Handle correspondence in ways to save filing: (a) Type carbons of replies on back of original letters. This cuts filing space by 50% and eliminates the risk of inquiry getting separated from the answer. (b) Type answer on face of original, then photo-copy the page for your files. (c) Or question if you need a file copy on simple routine inquiries. Perhaps original can be returned with the answer.

12. Encourage the use of rubber stamps to eliminate the need for writing short routine notations that recur frequently on memos, forms, correspondence.

13. Replace written data and letters with speed memos whenever possible. (The average cost to produce a business letter is \$2.00.)

14. Call on the full versatility of dictating equipment, which has many uses besides correspondence; for example, making field reports, taking inventory, recording conferences.

15. Check work flow to insure that documents being routed between departments don't back track and cause duplicate handling.



The rubber stamp—a familiar device, and still a great time saver.

16. Substitute spot checks for more comprehensive work reviews when it is apparent that such sampling inspection provides sufficient quality control.

17. Question why peak loads develop and how they might be flattened out by rescheduling projects that bunch up at particular times of the week, month, or year.

18. Divide large office areas into individual work stations with partitions and shelving. This cuts down on casual conversation and affords semi-privacy for concentrated tasks.

19. Use a personnel signaling device to locate mobile executives and supervisors. It saves secretarial time, telephone operator confusion and visitor frustration.

20. Explore the possibilities of better office layout. Send \$2 to National Stationery and Office Equipment Association, 740 Investment Building, Washington, D.C. 20005, for a copy of "How to Plan Your Office Space," a 104-page handbook on office layout and all phases of planning.

21. Make certain that all of your employees recognize the importance of minimizing waste and spoilage. They should be shown the direct relationship existing between expenses, profits and salaries. You can provide this vital knowledge by explaining your company's financial report each year, through incentive awards, articles in your employee house organ, and other forms of imaginative communications which should always stress the benefits to the employee, rather than the company.

IF WE SHOW
YOU HOW TO
MAKE
CARBON
COPIES
BETTER &
FASTER

WOULD YOU
BE WILLING
TO SPEND
A LITTLE
LESS?

Huron Copysette combines fresh, one-time carbon lightly attached to a high quality second sheet. The typist merely counts out the number of sets required, places letterhead on top—and types. The carbons are removed with a light snap and discarded—copies are clean, crisp and sharp.



Huron Copysette not only gives you better carbon copies faster, but actually costs less than reusable carbon paper and second sheets.

*Willing to spend a little less?
See your stationer or write direct for free
sample kit and cost comparison chart.*

**PORT HURON
PAPER
COMPANY**

Port Huron, Michigan
48060



Jake Morgan. Can a smile and super service make a gas station in Poughkeepsie successful?

Mark Mansfield. 15,988 items to keep in stock, and each goof can mean a lost customer.

Bruce Longworth. Nineteen years old, and learning the cold, hard facts of economic life with his first checking account.

Carol Kelly. Registered Nurse. She nurses patients. And paperwork.

Tommy Higgins. How do you keep an expense account straight when you have 122 customers in 3 states?

Mary McLaughlin. Her only income is from a trust established by her husband.

Pierre LaVoila. It's tough to keep track of a payroll that includes 35 chefs, 490 waiters, and 14 restaurants.



All they have in common is a marvelously ingenious little plate.

Seven people. Seven problems. One answer.

Addressograph plates that make their daily life—business or personal—easier.

You see, Addressograph® plates (with related Addressograph Multigraph systems) perform hundreds of different jobs.

They're used by banks, department stores, factories, petroleum companies, and many others.

They're used for keeping employee records by big companies and small companies, in all kinds of businesses and all industries.

They're used for order writing, payroll records, shipping instructions, medical accounting, inventory control.


The uses go on and on and on, for Addressograph plates are self-writing records that are error-proof, compact and easy to use.

During the lifetime of a business, a great deal of time is spent in getting information, recording information, storing information, retrieving information, and printing information.

And no system does those jobs as efficiently as Addressograph plates. They're made of plastic or metal, depending on the job to be done. And, they're 100% accurate, never forget, and can result in almost unbelievable savings of time and money and effort.

So if you've got record-keeping jobs—see your nearest Addressograph office (it's listed in the Yellow Pages). Or write Addressograph Multigraph Corporation, 1200 Babbitt Road, Cleveland, Ohio 44117.

We'll show you why you should have something in common with Jake, Bruce, Carol, Mark, Pierre, Mary and Tommy.

ADDRESSOGRAPH division of  **CORPORATION**
... helping people communicate

You'll never see this collator yawn, gripe or clock-watch.



These are people problems. And they breed where people hand-assemble printed or duplicated sheets into sets such as reports, price lists, scripts, promotional material and the like.

Are we saying eliminate people? Nope. Are we saying eliminate hand-collating? Yes. Who needs the kind of drudgery that wastes time and money as well as causes morale and workflow headaches?

And that's why Pitney-Bowes now makes and sells Thomas Collators.

For 20 years these machines have increased efficiency, improved morale and saved time and dollars by working three, seven or even fifteen times faster than by hand! There are all kinds and sizes: from the semi-automatic table-top or console to the 50-station fully automatic floor model. The one shown here is the Thomas Table-Top 8. It assembles up to 14,000 sheets per hour without getting out of breath!



Thomas Collators



A subsidiary of
Pitney-Bowes

Postage Meters, Addresser-Printers, Folders, Inserters, Counters and Imprinters, Scales, Mailopeners, Collators

For information, call or write Pitney-Bowes, Inc., 1301 Atlantic Street, Stamford, Conn. 06904

**We make writing equipment
as though your business depended on it**



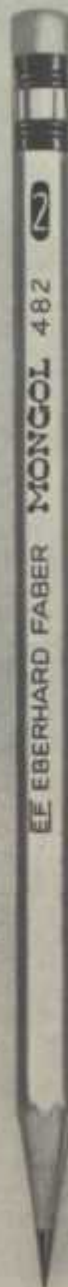
Take Eberhard Faber's classic No. 2435 NOBLOT Ball Pen with Fine Point... ideal for accountants, writes extremely fine, and has an eraser that really works.



And our No. 95 NOBLOT Contour Ball Pen with Extra Fine Point... perfect for all record keeping... tapered to fit the fingers for the ultimate in writing ease. Extra long, too, with an extra long-lasting ink supply.



Then there's our new TR 354 Writer... newest, smoothest way to write. The extra fine, smooth writing of a quality pen, and the bright color of a liquid marker. Ideal for identifying records.



Universally known Mongol... "the Business Pencil of the World." Best for general use and all office record-keeping.

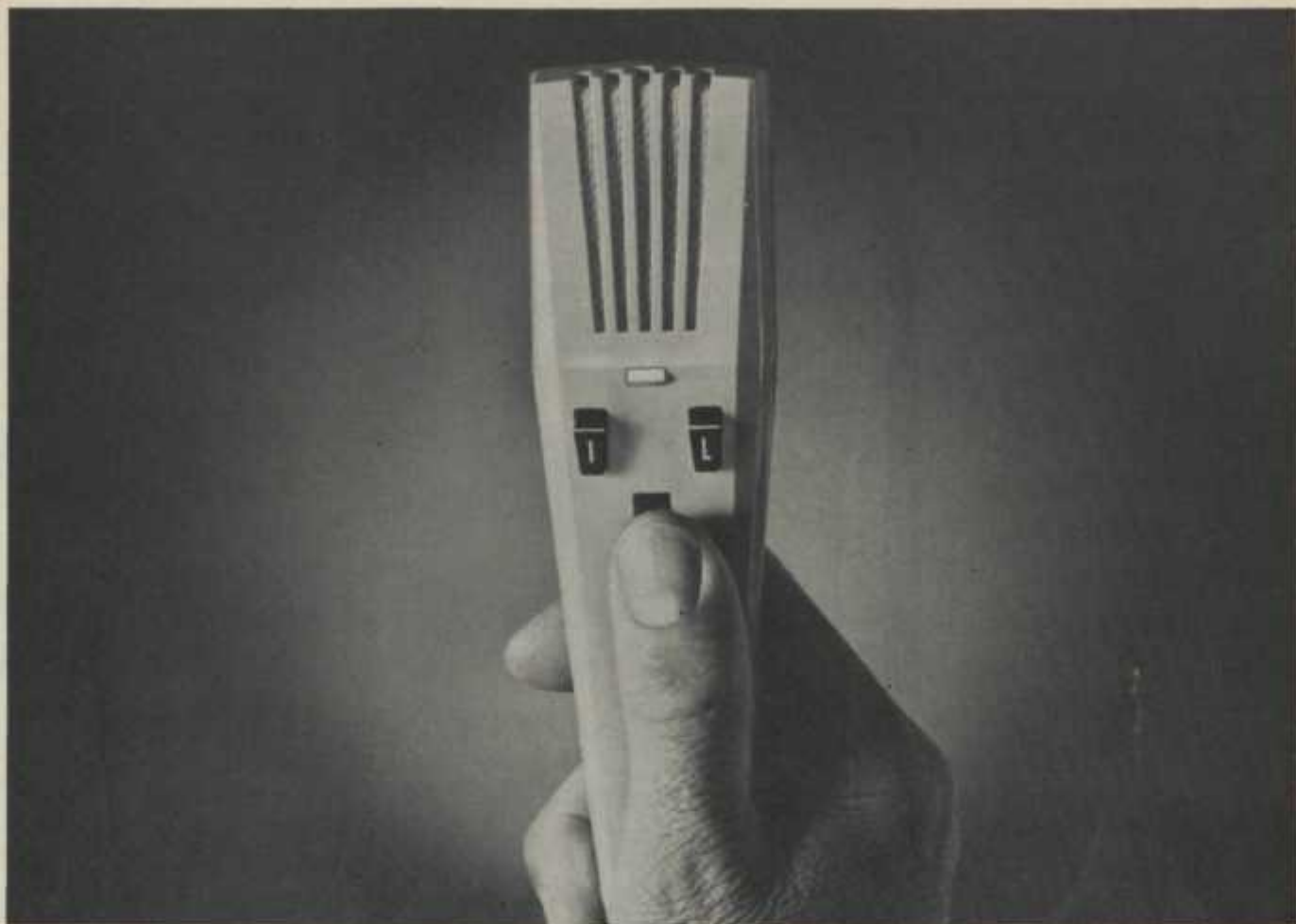


Or, maybe you'd prefer the No. 690 MARKette Thirthe Marker... the big-ink-supply marker with the thin, thin point. Ideal for charts, graphs, totals, totals, etc.

Show us a successful business, and we'll show you a company that keeps better records, a user of quality writing equipment... like the pens, pencils, markers by Eberhard Faber, for example... the finest line of pens, pencils, and markers you can buy. Check your nearest stationer today for writing and record keeping essentials by Eberhard Faber.

EF EBERHARD FABER®
WILKES-BARRE, PA. • NEW YORK • CANADA • GERMANY • VENEZUELA • COLOMBIA

IN REG. U.S. PAT. OFF. AND OTHER COUNTRIES



New idea: Stenocord puts complete dictation control under your thumb

You start, dictate, review, correct, stop—all with one simple control on the microphone. You indicate the end of a letter or mark special instructions by touching a button. All electronically, instantly.

A unique switch on the back of the microphone lets you set the Stenocord for flawless recording three ways: in the quiet of your office, or against background noises, or to pick up a conference.

And Stenocord uses the Stenobelt, a magnetic medium. It's the most sensitive way yet devised to record the human voice. Sensitive, but practical.

You can re-use it indefinitely. We know

one man who has dictated over 12,000 letters on the same Stenobelt. It still records faithfully.

The tone quality of the Stenocord is remarkable. When you play back your dictation you sound like yourself. As a result, your secretary understands every word.

You have a choice of five color panels for the front of the Stenocord. One will harmonize beautifully with your office.

If you've never used a dictating machine, try the dependable Stenocord. You'll wonder why you waited.

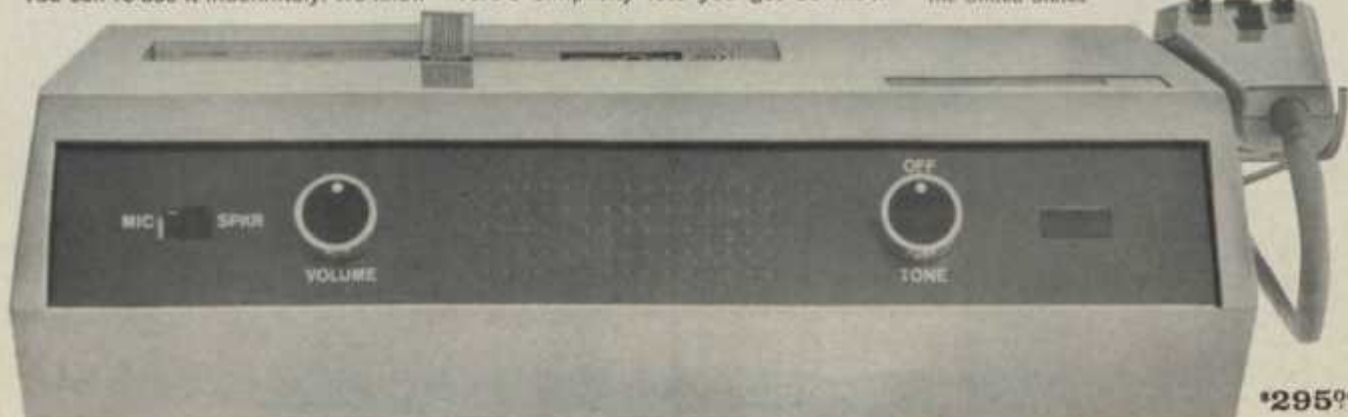
If you now use another make, Stenocord's simplicity lets you get so much

more done that you will probably be unhappy with what you have. But isn't that progress?

Before you buy your next dictation machine, call your local Stenocord man for a demonstration. Or write for our informative 24-page booklet, **The New Era in Dictating Machines**. Either way, there's no obligation.

stenocord®
DICTATION SYSTEMS

3755 Beverly Blvd., Los Angeles, Calif. 90004
Over 350 Sales & Service facilities throughout the United States



*295??

*The
Profitable
World
& Within*

Billions of Paper Clips

Figures on consumption of office supplies offer guides for budgeting in your own office

The paper clip is used in a variety of ways—to scrape pipes, to clean fingernails and ears, to pick locks, to punch holes, to relieve the tensions of executives who twist them out of shape. Some are even used to clip papers. If the average office worker—of which there are 18 million in the United States—uses only one paper clip a day—the consumption of this common office item runs into several billions per year.

While there are no specific figures for paper clips, there are some reasonable estimates for other common office items that are produced in huge volume each year: Almost two billion wood-case pencils, 800 million ball-point pens, 15 million boxes of staples, 92 million pounds of file folders. Altogether, many mountains of materials are used



Billions of Paper Clips *continued*

up in the ordinary processes of doing business.

Statistics on this tremendous consumption have been gathered by the research staff of the National Stationery and Office Equipment Association in order to develop cost guidelines an executive can use in his own business. The key figure in the findings is the cost to provide one office worker in the United States with the supplies needed to do his (or her) job. This works out to approximately \$146.06 a year.

To the extent that your office is fairly typical, you can apply that figure by multiplying it by the number of office workers you employ. For example, the cost of office supplies for ten employees would likely range from \$1,400 to \$1,500 per year.

The accompanying chart lists the items classified as "office supplies." A similar multiplication exercise will yield a fair budget estimate for any of the categories listed.

Total sales of all of these supplies in 1965 amounted to approximately \$2.7 billion. The major portion of sales was through office stationery and

equipment dealers who are the principal distributors for the huge office products industry. There are approximately 9,000 of these commercial dealers in the United States, and in addition to furnishing U.S. business with the expendable office supplies mentioned above, they comprise the major outlet for the capital goods in offices—furniture, fixtures and equipment.

The entire office products industry, exclusive of computers, is growing at the rate of 6.4% a year. It's estimated that total sales for 1967 will amount to \$5.5 billion. If computers are added to this total, it will be in the neighborhood of \$10 billion.

As business continues to expand . . . as it performs more and more services for its customers, its employees and the government . . . the manufacturing capacity and engineering ingenuity of the office products industry will keep pace. And the shelves of the office supply dealer will bulge with an ever-widening variety of supplies to assist customers in accomplishing the increasingly complex work of modern business.

Yearly Average Cost-Per-Worker For Office Supplies

Business forms	\$ 44.83
Paper	31.22
Carbon paper and inked ribbon	11.28
Envelopes	11.11
Tapes and adhesives	10.67
Looseleaf	7.22
Marking devices (including felt and other tipped markers)	6.46
Ball point pens	4.50
Filing supplies	4.28
Adding machine tape	3.44
Woodcase pencils	2.31
Tablets and pads	1.78
Fastening devices	1.67
Ball point pen refills	1.04
Staples	.75
Rubber bands, erasers, etc.	.62
Other writing equipment, including crayons, fountain pens, mechanical pencils and parts	2.88
Total cost of supplies for each office employee	\$146.06



Look for BRKM Specials at These NSOEA Dealer Firms

Every dealer member of the National Stationery and Office Equipment Association is geared to counsel you regarding record keeping needs. The following list of dealers, however, represents those who are planning to go all out for BRKM-'67 and offer specials designed to help you improve record keeping practices in the home and the office. Check this list for the dealer nearest you and visit him sometime during National Better Record Keeping Month.

ALABAMA

Birmingham

Gulf States Sales Corp.
James A. Head & Co.

Decatur

Shelton's Office Supply

Enterprise

Enterprise Office Supply Co.

Gadsden

Acton's Office Supply Shop

Huntsville

Ivan Allen Co.
Monroe Business Equipment

Mobile

Gulf States Sales Corp.
Waller Bros., Inc.

Montgomery

Mercantile Paper Co.

Tuscaloosa

Kyle Office Supply Co.

ARIZONA

Chandler

Williams Stationery

Mesa

Strauch's Stationers, Inc.

Phoenix

PBSW Office Products
State Office Supply

Scottsdale

Scottsdale Stationers

Tucson

Fetterley's Office Equipment
Gibson's Arizona Stationers
PBSW Office Products

ARKANSAS

Little Rock

Democrat Printing & Litho Co.

Pine Bluff

The Pentec Co., Inc.

Rogers

Shofner's Printing & Office Supplies

CALIFORNIA

Alhambra

Alhambra Office Supply, Inc.

Antioch

Antioch Stationers & Office Equipment

Belflower

Belflower Stationers

Bel Gardens

Russell's Stationers & Printers, Inc.

Berkeley

Radston's Office Supply

Burlingame

Burlingame Stationers

Chico

Sierra Stationers

Chula Vista

Coneb's Stationers

El Cajon

Harper Office Supply Co.

El Centro

Office Supply Co., Inc.

Fullerton

Crown Stationers

Glendale

Glendale Stationery Co.

Grenada Hills

Bush's North Hills Stationers

Hawthorne

Mole's Office Equipment

Lemon Grove

Grove Office Supply & Equipment

Los Altos

Los Altos Stationers

Los Angeles

American Office Supply
Campbell-Tolstad Stationers
Bayer Commercial Stationery Co.

Lynwood

Al-Lyn Office Supply

Napa

Dutton's Napa Stationery

Newport Beach

Industrial Office Supply Co.

Oakland

Mendell's Contract & Office Furniture

Oroville

Sierra Stationers

Panorama City

Panorama Stationers

Pasadena

Industrial Office Supply Co.

Petaluma

Schoenigh's

Pomona

Pomona Valley Stationers, Inc.

Redwood City

Peninsula Stamp & Office Supply

Redsda

Bush's Redsda Stationers

Richmond

Furrer's, Inc.

Sacramento

E. F. Corbin Co.

Salinas

Peninsula Typewriter Co.

San Bernardino

Goforth & Mark Office Supply Co.

San Diego

Arey-Jones Co.
Parron-Hall Corp.
San Diego Office Supply

San Fernando

Richardson's Stationery

San Francisco

H. S. Crocker Co., Inc.
Patrick & Co.
Schwabacher-Frey
Stanley Stationers

San Jose

Grosman's Office Equipment
San Jose Office Supply & Equipment Co.

San Luis Obispo

Hills Stationery Store

Santa Barbara

Lund Office Equipment

Santa Rosa

Cornicks

Sherman Oaks

Valley Stationers, Inc.

Simi

Embassy Stationers, Inc.

Torrance

Parrish & Wood, Inc.

Van Nuys

Bush's Van Nuys Stationers
Office Supply Co.

Ventura

County Stationers, Inc.

Walnut Creek

Pillsbury's

COLORADO

Colorado Springs

Out West Printing & Stationery Co.

Denver

Capitol Office Supply
The Denver Stationery Co.

Grand Junction

Richardson Office Supply

Pagosa Springs

Pagosa Springs Sun

CONNECTICUT

Bridgeport

Wiener & Lang, Inc.

Hamden

Connecticut Filing Equipment Co.

Hartford

Barley's of Hartford, Inc.
Hartford Office Supply Co.

Portland

Hazen's, Inc.

Stratford

Connecticut Filing Equipment Co.

DELAWARE

Dover

Mid-Dei Business Equipment

DISTRICT OF COLUMBIA

Commercial Office

Furniture Co.
Ginn's
Mallory Office Supply Co.

Stern Office Furniture, Inc.

Chas. G. Stott Co., Inc.

FLORIDA

Clearwater

Alan's Office Equipment, Inc.

Cocoa

Provoist Office Equipment Co.

Gainesville

Morgan Office Machine & Supply, Inc.

Parker's Complete Office

Outfitters

Hialeah

Weaver's Office Supply, Inc.

Jacksonville

Office Equipment & Supply Co.

Melbourne

Melbourne Office Equipment

Miami

Allapattah Stationers, Inc.
Kenny Office Supplies

Long Office Supply Co.

Miami Stationery Co., Inc.

Orlando

Bishop Office Equipment Co., Inc.

Orlando Office Supply Co.

George Stuart, Inc.

Panama City

Panama Office Supply Co.

Pensacola

G. A. Padden & Sons, Inc.

GEORGIA

Albany

Ivan Allen Co.

Athens

Ivan Allen Co.
The McGregor Co.

Atlanta

Ivan Allen Co.
Business Equipment & Supply Co.
Carlters-Wallace-Cortney, Inc.
John H. Harland Co.
Home Desk Co.
McWhirter & Murphy, Inc.
Miller's Book & Office Supply Co.
Office Supply Co.

Augusta

Ivan Allen Co.
Stuart Office Supply

Columbus

Ivan Allen Co.

Covington

Wood & Co.

Decatur

DeKalb Office Equipment Co.

Gainesville

Ivan Allen Co.

Griffin

Hensley Office Equipment Co.

Macon

Ivan Allen Co.
American Office Equipment Co.
McClure Baldwin & Griffin

Rome

Ivan Allen Co.

Savannah

Cargill's Office Supply Store
The Review Co.

Vidalia

Griffin Business Machines

ILLINOIS

Aurora

Fredrickson's Office Supplies

Barrington

Bar-Ton Stationers

Belleville

Egyptian Stationers, Inc.

Champaign

Shay Office Equipment Co.

Chicago

Highland Office Supply
Schiller & Schmidt, Inc.
Sol Office Supply Co.
Stevens, Maloney & Co.
Stuart-Hooper Co.

Everett

Chandler's, Inc.

Geneva

Tri-City Office & Furniture Supply Co.

Lake Forest

Helenders, Inc.

Lincoln

Lincoln Office Supply Co.

Peoria

Lincoln Office Supply Co.

Rock Island

Business Systems Co.

St. Charles

St. Charles Office Supply

Springfield

Central Office Equipment

Stirling

Haskell's

INDIANA

Brazil

Walter & Sons

Evansville

Smith & Butterfield

Gary

Gary Office Equipment Co.

Jacobson's, Inc.

Indianapolis

Allen's Business Supplies

Madison

Steinhardt & Hanson, Inc.

Muncie

A. E. Boyce Co., Inc.

New Castle

The Century Press

Richmond

Rosa's, Inc.

Tipton

J. R. Ramsay Printing Co.

IOWA

Ames

Hecht's

Cedar Rapids

Klingor Office Supply

Council Bluffs

Emarins

Grinnell

Grinnell Office Supply

Iowa Falls

Hecht's

Sioux City

Sioux City Stationery Co.

KANSAS

Emporia

Didde Office Supply & Printing

Salina

Salina Office Supply

Wichita

Orr, Inc.

How come the ADLER Electric is guaranteed 4 times longer?

That may sound like we're bragging. But when we say we have the better electric typewriter, we don't just say it, we put it in writing. In our guarantee. A guarantee that's four times longer than the other leading electric.

We not only give you an electric with a special kind of quality. It also comes with a special kind of price. Considerably less than you'd expect.

Look at all these time and work saving benefits you get with the Adler Electric: Automatic paper injector-ejector. Automatic dual ribbon — (fabric and carbon.) Reverse underscore. Short-cut carriage return. Copy

control. Page-end indicator. Five repeating keys. Repeating space bar. And many more benefits that save costly typing and retyping time.

Before you decide on any electric, have your secretary test-type the Adler Electric side by side with any other. She'll probably end up confirming your own good judgment for the Adler.

Check the yellow pages for your local Adler dealer. He'll be more than happy to bring the Adler Electric to your office for a trial demonstration. Or write for full details.

ADLER

Simple: It's the better typewriter.



GRUNDIG-TRIUMPH-ADLER SALES CORP. / 355 LEXINGTON AVENUE, NEW YORK, N. Y. 10017 / (212) 661-2020

ADLER quality typewriters since 1856... a precision product of Grundig, manufacturers of world famous dictating machines, chronograph cameras, radios, tape recorders.

KENTUCKY

Covington
Madison Office Supplies
Glasgow
Wiloughby Office Supply Co.
Henderson
Grant's Office Supply
Lexington
Office Equipment Co., Inc.
Transylvania Printing Co.
Louisville
Curtis Office Supply & Equipment Co., Inc.
Koehler Stamp & Stationery Co.
O'Connor & Raque Co.
Office Equipment Co., Inc.
Owensboro
Office Equipment Co., of Owensboro
Smith & Butterfield
Winchester
Rees Printing Co.

LOUISIANA

Abbeville
Piazza Office Supply
Alexandria
Jordan Stationers & Printers Inc.
Standard Printing Co., Inc.
Baton Rouge
Pelican Office Supply, Inc.
Hammond
Carr Printing & Office Supplies
New Iberia
Iberia Office Supply, Inc.
New Orleans
Hanson-Fichte, Inc.
Mule-Dural, Inc.
Ruston
Ruston Office Supply Co., Inc.
MAINE
Bangor
Gass Office Supply Co.

MARYLAND

Baltimore
Baltimore Stationery Co.
Hoffmaster's Office Supply
Lucas Bros., Inc.
Julius M. Stark Co.
Salisbury
White & Leonard, Inc.
Towson
Towson Stationers, Inc.
MASSACHUSETTS
Brockton
Almeida Office Supply Co.
Bailey's Inc.
W. B. Mason Co.
Falmouth
Charlbert's
Fitchburg
F. W. Rice, Inc.
Hyannis
Charlbert's

Northampton

Haskell & Gilbert Office Supply, Inc.
Worcester
Kriak & Corrigan, Inc.
Palley Office Supply Co.
Palsons, Inc.
MICHIGAN
Alpena
Alpena Printing Studio
Benton Harbor
The Office Equipment Co.
Birmingham
Eastin's Office Products
Detroit
General Office Supply
Gregory & Leonard Office Equipment
Gregory, Mayer & Thom Co.
Macaulay's, Inc.
Miles Fox Co.
Modern Office Supply Co.
Service Office Supply

Escanabe
Office Service Co.
Ferndale
Gregory & Leonard Office Equipment
Jackson
Office Supply House
Lansing
Gregory, Mayer & Thom Co.
Roseville
Rainers Office Supply
Royal Oak
Eastin's Office Products
Traverse City
Union Office Supply Co.
Wyandotte
Galle Office Supply
MINNESOTA
Duluth
A & E Supply Co.
The H. R. Garrett Co.
Forest Lake
Office Machines & Supply Co.
Hibbing
Hibbing Office Supply Co.
Minneapolis
General Office Products
Miller-Davis Co.
Office Supply Distributors, Inc.
Thomas & Grayston Co.
Owatonna
Journal-Chronicle Co.
St. Paul
Curtis 1000 Inc.
McClellan-Hedman-Schmidt
St. Paul Book & Stationery Co.
South St. Paul
Globe Publishing Co.
Winona
Jones & Kroeger Co.
MISSISSIPPI
Greenville
The Office Supply Co.
Hattiesburg
Office Supply & Printing Co.
Jackson
The Office Supply Co.
MISSOURI
Carthage
M. C. Jackson Co.
Clayton
S. G. Adams Printing & Stationery Co.
Crestwood
S. G. Adams Printing & Stationery Co.
Kansas City
Gallup Map & Stationery Co.
John A. Marshall Co.
Schooley, Inc.
Kirksville
Baldwins Biz Mart, Inc.
Kirkwood
Color-Art Printing & Stationery Co.
St. Louis
S. G. Adams Printing & Stationery Co.
Win. F. Foshage Co.
Wm. J. Kennedy Stationery
Leewood Co.
Lilley Printing & Stationery Co.
Scharf Stationers, Inc.
Waite-Jones Co.
Springfield
Elkins-Sawyer Co.
Springfield Office Supply
Washington
Office Supplies & Equipment, Inc.
MONTANA
Great Falls
Mailing Shop & Office Supply Co.
Missoula
Delaney's Bureau of Printing

NEBRASKA

Beatrice
Goodenough's, Inc.
Chadron
Modern Business Machines
Omaha
Omaha Printing Co.
NEVADA
Las Vegas
Lee Office Equipment
Reno
Armanko Office Supply Co.
NEW HAMPSHIRE
Manchester
R. H. Llewellyn Co.
Tom-Ray Office Supply
Portsmouth
Eberle's, Inc.

NEW JERSEY

Bloomfield
Moran's
Keyport
Bayshore Stationers, Inc.
Newark
Acme Stationery & Printing Co.
Herbert L. Farkas Co.
Industrial Office Supply Co.
New Brunswick
Crowley's Better Business Forms
Reed's
Orange
The W. B. Wood Co.
Plainfield
Howard W. Boies, Inc.
Roselle Park
D. C. Helms Co.
Toms River
Charney's of Toms River
Westfield
Terrill's

NEW MEXICO

Albuquerque
University Book Store
Hobbs
Business Machines, Inc.
NEW YORK
Albany
Green's Office Outfitters, Inc.
Martin Business Furniture, Inc.
Martin Office Supplies, Inc.
Amsterdam
Seely Conover Co., Inc.
Buffalo
Hoelscher's, Inc.
Ithaca
Lufkins Office Equipment Co.
Jamesstown
Day's Commercial Stationery
Mineola
D. Waldner Co., Inc.

New York
Golden Equipment Co., Inc.
Kroll Stationers
Midcity Press, Inc.
Monday Co.
The Non-Wood Co., Inc.
R & J Office Supply Co., Inc.
Simax Stationery Co., Inc.
Thomas Office Machines, Inc.
Oswego
E. S. Howard Co., Inc.
Plattsburgh
Burgess Enterprises
Queens Village
Hamburger's
Rochester
Heinrich-Seibold Stationery Co.
Mackie-Williamson Stationery Co.
Scrantom's

NEW YORK continued

Schenectady
Mohawk Office Supplies, Inc.

Spring Valley
Bouton's

Syracuse
Hudson Office Equipment Co.

Tarrytown
Hudson Office Supply Co.

Westfield
Westfield Republican, Inc.

White Plains
Olson & Gordon Stationers

NORTH CAROLINA

Asheboro
J. D. Ross & Co.

Charlotte
Harris Office Supply Co.

Durham
The Rose Agency, Inc.

Fayetteville
Williams Office Equipment Co.

Gastonia
O. G. Fenegar Co., Inc.

Greensboro
S. T. Wyrick & Co.

High Point
Griffith Office Equipment Co.

Jacksonville
Carolina Office Supply Co., Inc.

Raleigh
Alfred Williams & Co.

Salisbury
Earle's Office Supplies

Spice Pine
Office Supply & Equipment Co.

Winston-Salem
Hinkle's Book Store
Rawley & Apperson, Inc.

NORTH DAKOTA

Minot
Central Office Supply

OHIO

Akron
The Blair Co.

Athens
Athens Office Supply, Inc.

Cleveland
Ace Rubber Stamp & Office Supply Co.

Burrows
Livsey Equipment Co.

Marshall-Smith, Inc.
Wirtshafter's, Inc.

Columbus
Contract Associates

The Dish Office Equipment Co.
Eriksen's, Inc.

Dayton
The Roth Office Equipment Co.

Findlay
The Findlay Printing & Supply Co.

Hamilton
Reichel Office Supply Co.

Kettering
Kettering Office & Art Supplies

Lima
W. J. Noonan Co.

Lorain
The Mariotti Printing Co.

Marion
Halt-Beck Equipment Co., Inc.

Mount Vernon
Gelsander's, Inc.

New Philadelphia
The Tope Book & Office Supply

Sandusky
Denzar's Office Equipment, Inc.

Springfield
Garigans, Inc.

Toledo

Eriksen's, Inc.
Franklin Printing & Engraving Co.

Waverly

James Stationery & Office Supplies

Wilmington

Brown Office Supply & Equipment

Wooster

Crites-Watson Office Supply

Youngstown

Masters Office Supply

OKLAHOMA

Barleesville
Barleesville Stationery Co.

Enid

Cromwell's

Lawton

Southwestern Stationery & Bank Supply

Oklahoma City

Mike Bryan Office Supplies

Dorn's Furniture Co.

Ponca City

Southwestern Stationery & Bank Supply

Stillwater

Fenton Office Supply Co.

Tulsa

Dan P. Scott & Sons, Inc.

OREGON

Albany
Duedall-Potts Stationers

Beaverton

J. Thayer Co.

Eugene

Chapman Bros. Stationery & Office Equipment

Portland

The J. K. Gill Co.
Charlie Helwig, Inc.

Pacific Stationery Co.

Salem

Commercial Book Store

PENNSYLVANIA

Allentown

Royal H. Eckert, Inc.

Butler

Butler Stationery

Easton

Stoltz Office Equipment Co.

A. Fred Treher

Erie

Duggan Rider Office Supply

Harrisburg

Cole & Co.

Johnstown

Johnstown Office Supply Co.

Lancaster

L. B. Herr & Son

Lafayette

Turner Office Equipment

Media

Media Office Supply Co.

New Kensington

Central Office Products

Philadelphia

Commercial Office Supply Co.

Vec & Lukens Co.

Pittsburgh

E. W. Curry Co.
Dillon Office Furniture Co.

General Office Equipment Corp.

Reading

Business Equipment & Supply Co.

Scranton

Reynolds Bros. of Scranton

Sharon

Sharon Stationery & Supply, Inc.

Upper Merion

C. B. Kershner, Inc.

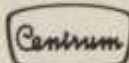
York

George's Stationery Store

CENTRUM— THE WORLD'S MOST ADVANCED INTERCOM SYSTEM



Centrum combines the versatility of a private telephone system with the convenience of hands-free communication to produce an intercom that allows anybody in even the largest offices and plants to communicate effortlessly and instantly. Benefits: higher employee efficiency and lower telephone bills. Centrum intercom systems for two to thousands of stations are the biggest step forward since the telephone. For information, write:



CENTRUM ELECTRONICS, INC.

820 Second Avenue, New York, N. Y. 10017 Phone (212) MU 2-4880



MODEL 6800

Protect your office equipment with a Tiffany Stand.

No matter how heavy or expensive your office machines, they're secure on a sturdy Tiffany Stand such as Model 6800 above.

Model 2500-CA is designed to safely hold heavy photo-copy and duplicating machines. Top size: 30" x 18 1/2".

Catalog on request.



MODEL 2500-CA

Tiffany Stand

COMPANY

225 SOUTH MERAMEC • ST. LOUIS, MO. 63105

REVOLUTIONARY ELECTRONIC CALCULATOR

- Unmatched speed, versatility
- Simple to operate
- Single keystrokes provide all these functions

+ - ÷ x x² √x e^x log₁₀x

- Two independent accumulators for random data entry and retrieval
- Low price — from \$1890 to \$2095. Additional keyboard units from \$450
- Time sharing units also available
- Models with 4 additional storage registers available for \$400 extra
- Accessory programmers also available

Write for complete details



WANG

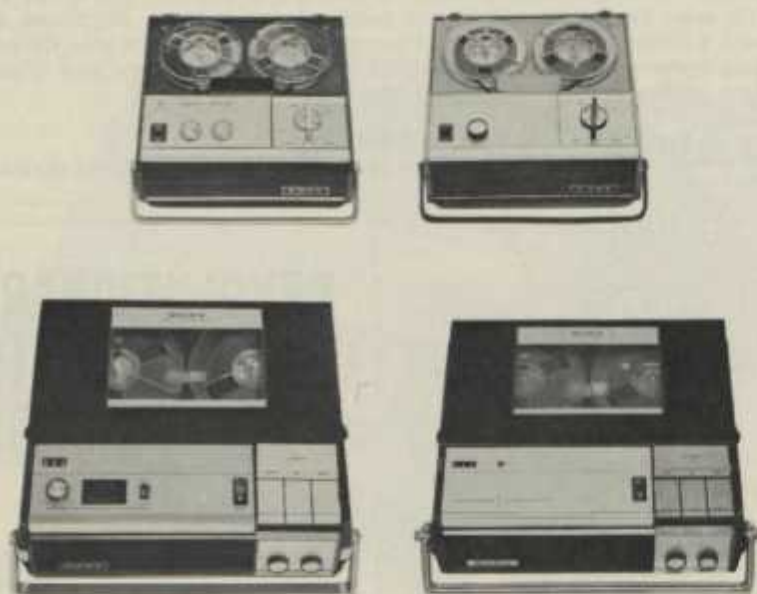
LABORATORIES, INC.

Dept. BJ-4, 836 North St., Tewksbury, Mass. 01876

Tel. (617) 851-7311



Easy going



Sony makes it easy for you to tape it as you go — easy as 1-2-3. Flip switch #1 . . . press button #2 . . . turn knob #3 — you're recording! And — sound for pound — they're the world's lightest portables with true high-fidelity performance. Speaking soundly, a Sony is your best choice as a travelling companion — if you like to travel in style — because Sony style has the sleek look of jet-travel luxury that fits in anywhere. Pricewise, too, the going is easy. Sony's easy going portables start as low as \$49.50! So, visit your easy-going Sony/Superscope dealer today . . . he's easy to find.

Sony Solid-State Sonymatic 900-A. 2 speeds. Automatic Recording Control. Instant switching from battery power to A/C current. Complete with dynamic microphone, \$69.50.

Sony Solid-State ServoControl 800. 3 speeds. Automatic Recording Control with instant switching to manual recording volume control VU meter. Microphone. Under \$199.50.

Sony Solid-State Sonymatic 907. 2 speeds. Automatic Recording Control. Battery powered with accessory A/C power converter. Complete with dynamic microphone, only \$49.50.

Sony Solid-State ServoControl 860. 2 speeds. Automatic Recording Control. Record Indicator Light. Complete with dynamic microphone. Less than \$149.50.

AMERICA'S FIRST CHOICE IN TAPE RECORDERS

SONY

SUPERSCOPE

The Tape Way to Stereo

SONY'S PROOF OF QUALITY — A FULL ONE YEAR WARRANTY

RHODE ISLAND

East Providence
E. L. Freeman Co.

SOUTH CAROLINA

Charleston
Cheraw Stationery & Supply
Greenville
Ivan Allen Co.
Harper Brothers, Inc.

SOUTH DAKOTA

Aberdeen
R. E. Huffman Co.
Yankton
Scoblic-Reedstrom Stationers

TENNESSEE

Alcoa
White Office Supply Co.
Athens
Ivan Allen Co.
Chattanooga
Ivan Allen Co.
Johnson City
Cooper Office Equipment Co.
Lancaster Associates
Knoxville
S. B. Newman & Co.
McMinnville
Waterman Typewriter Co., Inc.
Memphis
E. H. Clarke & Bro., Inc.
Nashville
Marshall & Bruce Co.
McQuiddy Office Designers, Inc.
Shelbyville
Waterman Typewriter Co., Inc.

TEXAS

Arlene
The Pender Co.
Alice
The Atkins Co., Inc.
Baytown
Mathern's
Beaumont
Femans
Lamb Printing & Stationery Co.
Brownsville
Walk Office Equipment
Bryan
News Office Supply
Dallas
Bennett Office Furniture & Supply Co.
Dallas Office Supply Co.
The Dorsey Co.
R. H. Moore & Co., Inc.
El Campo
Walzel Office Equipment Co.
El Paso
Harrison Business Equipment, Inc.
Houston
D. Armstrong Co.
Buffalo Office Supply
S-A-M Office Furniture Co., Inc.
Wilson Stationery & Printing Co.

Irving

R. H. Moore & Co., Inc.
Lubbock
The Baker Co.
Thomas Bros. Co.

Orange

Lamb Printing & Stationery Co.

San Antonio

Paul Anderson Co.
The Clegg Co.
Southwest Office Supply

San Benito

Walk Office Equipment

Tyler

Story-Wright, Inc.

Wichita Falls

L. O. Nelson Office Supply

UTAH

Ogden
Steve's Office Supply

Salt Lake City

Kelly Co.
Mid-West Office Supply
Salt Lake Desk

Vernal

Vernal Office Supply

VERMONT

Brattleboro
Baker's Bookstore
Burlington
McAuliffe Paper Co., Inc.

VIRGINIA

Arlington
Arlington Printers & Stationers

Hampton

Bagley Stationery Co.

Marion

Typewriter Sales & Service of Marion

Martinsville

Martinsville Office Supply, Inc.

Norfolk

Hampton Roads Paper Co.
The Norfolk Stationery Co., Inc.

Richmond

Walter D. Heindl, Inc.
Morton Marks & Sons, Inc.
Southern Stamp & Stationery Co.
Virginia Stationery & Office Supply Co.
Everett Wadley Co.

Roanoke

State Office Supply, Inc.

Staunton

A.I.D. Business Outfitters
Beverly Book Co., Inc.

WASHINGTON

Aberdeen
Pacific Office Machines Co.

Kent

Valley Office Supply

Seattle

Trick and Murray

Tacoma

H. D. Baker Co., Inc.
J. K. Gill Co.
Hunts Office Supply

Wenatchee

The Craftsman, Inc.

WEST VIRGINIA

Charleston
Rose City Press

Morgantown

Laidley & Selby
Thompson's of Morgantown, Inc.

WISCONSIN

Beaver Dam
Hoels Printing Office Supply Co.

Elkhorn

Clark Office Supply Co.

Green Bay

The Stuebe Co., Inc.

Hartford

Hartford Office Supply Co.

La Crosse

Swartz Office Supply Co.

Madison

Biled, Inc.

Manitowoc

Napp Office & School Supply Co.

Marshfield

Marshfield Book & Stationery, Inc.

Milwaukee

Forrer Business Interiors

Racine

Forrer Business Interiors
Office Supply Co. & Office Interiors

Sturgeon Bay

Herbold Office Supply Co.

Superior

Safford, Inc.

CURACAO

Willemstad,
Boekhandel Salas

The Russians finally admit they don't have all the answers.

This really happened.

During a recent tour of Pittsburgh's Deeter-Ritchey-Sippel architectural firm, a group of Russian technicians spotted a 130 Electronic Calculator by Friden.

At first they couldn't believe it was a calculator. It looked too good. It worked too fast. And it didn't make any noise.

The head of the delegation asked to try it. He entered his first factor and saw it

immediately appear at the bottom of the cathode ray display tube. As each new factor was entered, the previous figure moved up to the next register (this eliminates worksheets and keeps intermediate calculations available for instant use).

There was no noise, because the 130 has no moving parts. Solid-state components just don't go "clickety-clack"

In the end, the Russian got his answer in milliseconds—much faster than he could index his problem.

They were all genuinely impressed. One comment (which we'll cherish forever) was that they had nothing like the 130 in Russia. But they wished they did.

Maybe Russia did invent baseball and chewing gum. But it took Friden to invent the perfect answer to the world's figurework problems.

For a demonstration of the 130, call your Friden office. Or write Friden, Inc., San Leandro, Calif. 94577. Sales and service throughout the world.



Friden
DIVISION OF SINGER
INTERNATIONAL WORLDWIDE

The new NCR 400 electronic accounting system makes program-changing easier done than said.

The unique program loops of the 400 enable it to handle as many programs as there are loops—and programs as long as a loop can be.

This makes the 400 more versatile than higher-priced systems whose programs are limited in number and length by the capacity of their internal memories or program

boards. The 400 doesn't use either for programming.

The quiet girl in your office can change programs on the 400 as simply as she gets your first cup of coffee in the morning. She merely places a different loop on the machine, and it's ready to do your payroll, accounts payable, accounts

receivable, tax forms, balance sheets or statements.

When your firm grows, your NCR 400 grows, too, with components and capacity you can add-on and plug-in for bigger processing jobs.

Talk with an NCR man about the new electronic accounting system. His story is on a very short loop.



N C R



WILL WASHINGTON RUIN PENSION PLANS?

continued from page 41

first big step toward a runaway federal system.

In a special message to Congress, he asked for an across-the-board benefit increase that would raise benefit costs about 20 per cent. Roughly half of the cost would be financed by an increase in the amount of earnings taxed by social security, and by higher tax rates on workers and businesses. The remaining cost would be paid from excess tax revenues accumulated in the social security trust fund.

It's proposed that the wage base on which social security taxes are paid be raised from \$6,600 to \$7,800 in 1968. This would raise the costs to employers, employees and the self-employed by about \$1.2 billion.

There's no question but that a social security bill will pass Congress. The question is its size. If it's as big as the Administration is asking, then more than a few in the private pension field feel that social security is straying from its original intent of being a minimum guaranteed base. And if it goes that far, they are worried it'll tread still further into private pension territory.

Even more worrisome to private pension planners is the growing talk in Congress that social security as a payroll deduction has just about reached its limit. The alternative, as some in Congress see it, is financing from general tax revenues rather than from the social security fund. Once the trust-fund accountability of social security is lost, most private pension people believe it's "Katy bar the door!"

This fear that social security will be feeding on general revenues isn't any straw man erected by private pension planners. Sen. Robert F. Kennedy of New York wants the wage base on which social security taxes are paid by employer and employee raised to \$10,000 this year and to \$15,000 in 1970. He calls for part of these benefits to be paid by general tax revenues. By 1977, Sen. Kennedy would have 35 per cent of the financing come from general revenues.

"With all this," notes one private pension expert, "there would be very little room for private pension plans."

A group of House Republicans are also mulling a proposal to use general revenues to finance an increase in social security benefits for the needy elderly.

One strong proponent of the un-

impeded private system admonishes: "Anyone who thinks he will be happy and prosperous with the government looking after him should take a close look at the American Indian."

Other proposed legislation ranges all over the place. And in numbers of proposals, as well as scope, it's substantial. Genesis for much of it appears to be a tannish-gray, 82-page document entitled: "Public Policy and Private Pension Programs—A Report to the President on Private Employee Retirement Plans."

The report was prepared by the President's Committee on Corporate Pension Funds and Other Private Retirement and Welfare Programs, chaired by Labor Secretary W. Willard Wirtz. Members are the Secretaries of Treasury and Health, Education and Welfare, the director of the Bureau of the Budget, and the chairmen of the Council of Economic Advisers, Federal Reserve Board and Securities and Exchange Commission.

The panel commented on the importance of flexibility of private plans and noted that "public policy should continue to provide appropriate incentives to private plan growth." But it recommended:

- That a private pension plan, to qualify for "favored" tax treatment, must provide "some reasonable measure of vesting." Vesting is a promise to pensioners whose employment ends before they're eligible for retirement benefits that they'll get all or part of that accrued benefit at retirement age, regardless of their employment status then.
- That new standards of funding should be set for a pension plan to qualify for "preferential" tax treatment. Funding is the process of accumulating, usually over a number of years, assets irrevocably earmarked to pay future pension benefits.
- That investments by retirement funds in the securities of the employer be limited to perhaps 10 per cent of the fund, and that additional investment information be disclosed.
- That ways of making pensions more portable should be studied so a worker can move from job to job without losing retirement benefits.
- And that study should be given to the feasibility of an insurance fund to guarantee pensions.

Since this report was issued two years ago, four Congressional pan-



"I DON'T MIND PAYING A LITTLE LESS"

This man knows that over 200 AIRWAYS RENT-A-CAR offices in the U.S. and Canada provide better service and convenience plus lower rates including gas, oil and insurance. He knows AIRWAYS saves him time because one call and AIRWAYS will probably arrive before his luggage. He knows AIRWAYS will provide a '67 Chevrolet, Pontiac, Buick or other new car.

He knows it—AIRWAYS knows it—
Now you know it.

Write for free International Directory to: Dept. NB-4
AIRWAYS RENT-A-CAR SYSTEM
5410 W. Imperial Highway, Los Angeles, Calif. 90045



All major credit cards accepted.

HOW TO HAVE...

YOUR OWN MAGAZINE

A NEW EDITORIAL FORMULA
NEW PRODUCTION TECHNIQUE
AT AN UNUSUALLY LOW COST

WRITE FOR SAMPLES
AND COMPLETE DETAILS

National Research Bureau, Inc.
221 North LaSalle Street
Chicago, Illinois 60601

What if you'd bought a steel building *before* you saw this ad?



You'd still be proud of your building, but maybe you'd also be just interested enough to check a few things.

Things like how much interior space was sacrificed to wedge shaped support columns. You could have had straight column sidewalls with PRUDEN.

Wiring and plumbing . . . how much extra space and money could you have saved if they'd been led *through* open web truss beams instead of around and under solid ones?

Roofing and siding . . . it's weather tight now, will it always be? Was it the best available?

With PRUDEN you'd have triple seal security, and a warranty covering everything including the baked enamel color.

But you haven't bought, yet? Great. There's more you should know. May we tell you the full story?



PRUDEN
*the steel building with
quality built in first...
...to last!*



CLEARSPANS TO 140' WIDTHS
— MULTIPLE SPAN,
CONTINUOUS TRUSS
BUILDINGS TO ANY WIDTH

PRUDEN

PRUDEN PRODUCTS CO.

*A growing name
in a growing industry*

PRUDEN PRODUCTS CO.

241 Water Street
Evanston, Wisconsin 53536

Please send me your Free full-color
catalog, "New Dimensions in Building"



Name _____

Address _____

City _____

State _____

Zip Code _____

WILL WASHINGTON RUIN PENSION PLAN?

continued

els have held hearings on private pensions. At least two will hold hearings this session.

Stifling regulations posed

The most ambitious of all the legislative proposals covering private pension plans is one by Sen. Jacob K. Javits of New York. It has been suggested that his omnibus approach might be labeled "pensioncare."

Sen. Javits goes considerably beyond the recommendations of the President's Committee. Not only would he set minimum standards for funding and vesting, he would also provide a reinsurance and portability system and create a U. S. Pension Commission as an independent regulatory agency.

Sen. Javits believes "all the problems are so interrelated" that an omnibus approach is the best. "My bill would provide a basic underpinning for pension plans, an assurance that people will get what they're entitled to," the Senator told NATION'S BUSINESS. He expects his bill will "take considerable hearings. I think we can expect discussion this year and action next."

Rep. Martha Griffiths, whose fiscal policy subcommittee of the Joint Economic Committee held eight days of hearings on private pension plans last spring, plans her own omnibus measure.

Out of those hearings came a staff document that has shaken private pension plans to their roots. In transmitting the pamphlet to the full Joint Economic Committee, Mrs. Griffiths wrote: "It is not a statement of conclusions or recommendations by the staff, but an outline drawn from the literature, intended to provoke debate of the issues and alternatives in this field."

To say it has been provocative is an understatement. Some people who have spent a lifetime in the private pension field call it a "diatribe against private pensions" and refer to its author, Nelson D. McClung, as one "who obviously knows little about pensions." One highly regarded expert in the pensions field confides: "It took me three readings before I understood it."

Mr. McClung, who's now Assistant to the Director of the Office of Tax Analysis in the Treasury Department, told NATION'S BUSINESS: "They're (pension experts) not used to being talked to this way; I want

Thomas F. Patton,
Chairman and President, Republic Steel Corporation, says,



**"We have proved that industrial advertising,
properly used, helps increase share of market."**

"Industrial advertising is as much a part of mechanizing a modern sales force as an automated assembly line is for mechanizing modern mass production.

"At Republic Steel we know industrial advertising works because for two years we have researched its effectiveness realistically, by going directly to customers.

"We know advertising has become essential in

helping to achieve high competitive position in the steel industry. We feel, also, that industrial advertising is beneficial in letting our customers know about our continuing multimillion-dollar investment in modernization and expansion of facilities.

"This management is convinced that industrial advertising has proved itself to be a potent tool in letting customers know precisely how and why they can take the pulse of progress at Republic Steel."

Advertising cuts the cost of selling...

ASSOCIATION OF INDUSTRIAL ADVERTISERS



41 East 42nd Street, New York, New York 10017

WILL WASHINGTON RUIN PENSION PLANS?

continued

them to think about solutions, to focus attention on real issues."

In his pamphlet, Mr. McClung asks: "May not pension plans in too many instances generate expectations which cannot or will not be fulfilled, interfere unnecessarily with the exercise of free choice of employment and in saving, induce an excessive rate of saving, create enclaves of economic power which are not subject to effective supervision, and hinder the productive

deployment of wealth?" Mr. McClung also makes observations (his critics call them "McClunkers") such as: "It is hard to avoid the suspicion that little enclaves of economic power are being jealously guarded at the expense of efficiency and, ultimately, the interests of the members."

A compendium of comments on the McClung report is being put together now and will be the focus for another round of hearings by

Mrs. Griffiths' subcommittee. Mrs. Griffiths says she won't introduce her bill until after these hearings, and she doesn't think the House Ways and Means Committee will have time to begin hearings on it this year.

It's likely her proposals will stretch beyond private pension plans and into the public social security system. Mrs. Griffiths says we need some type of pension setup, apart from social security, that's broader than plans for the self-employed. They were liberalized by Congress last year. Mrs. Griffiths says she assumes such a setup could be privately operated.

"We have to have vesting requirements, set by the government," Mrs. Griffiths adds, and her bill will specify this.

LBJ's views

President Johnson assured a place for private pension debate in this first year of the Ninetieth Congress by asking, in a special message on consumer affairs, for a law to provide more protection for private pension and welfare plan participants.

Clearly, Mr. Johnson's request was drawn partly from the 1965 Cabinet Committee report. He didn't, however, ask action on the much more controversial Committee recommendations on vesting and funding. The changes he seeks deal with fiduciary responsibilities to be required of plan managers, would limit to 10 per cent the amount that could be invested in stock of the employer's company, and would hand the Labor Secretary authority to seek more information and to initiate legal action on behalf of beneficiaries.

There's considerable doubt among those working with private pension plans about the need for such increased federal authority, but there seems little objection to it.

The White House recommendation came just several days after a report by the Labor Secretary's Advisory Council on Employee Welfare and Pension Benefit Plans. The panel, which has members from the insurance, banking, labor and academic world, suggested that Congress examine whether a federal fiduciary statute is needed. Then it added this unanimous recommendation:

Don't give the Labor Secretary any added powers to regulate or interfere in the management of any employee or pension benefit plan.

Jean M. Lindberg, senior vice president of the pension trust division of Chase Manhattan Bank,



IF IT'S NOT IN IDAHO *You don't need it!*

Of course Idaho has all the obvious ingredients needed for successful industrial operation: abundant water supplies, low-cost energy, good proximity to growing western markets and excellent transportation, communication and an unusually stable, productive labor force, etc.

But most importantly, IDAHO HAS THE MOST DESIRABLE LIVABILITY IN AMERICA! Idaho's invigorating climate, fresh air, lack of congestion and fabulous recreational capability give people a unique reason to want to live and work here!

If it's not in Idaho, you don't need it to make solid profits to grow with the future.

For full information (and confidential handling) on what Idaho offers your company write to Industrial Development Division, Idaho Department of Commerce and Development, Room 67C State Capitol Building, Boise, Idaho 83702.

(Please show ZIP CODE number for your address)

**You're feeling sleepy.
Now repeat:**



**There is only one Air Express.
There is only one Air Express.
It's a division of REA Express.
It's a division of REA Express.**

Pardon us if we burn it into your subconscious. But if you've been thinking Air Express means just any kind of air cargo service, it's probably costing you. Money. And some important shipping advantages:

Like Air Express priority after air mail on every scheduled airline in America. (Think what that means during peak night rush hours.)

Like Air Express next-day delivery to 21,000 communities throughout the U. S., Canada and Puerto Rico.

Like if you ship from 5 to 50 pounds, Air Express often costs you less than even surface carrier.

Next time, try Air Express spelled with a capital A and E. Call your local REA Express office. Air Express outdelivers them all... anywhere in the U.S.A.

Air Express
Division of REA Express



WILL WASHINGTON RUIN PENSION PLANS?

continued

feels that attempts to regulate or legislate private pension plans recently have been "confused and confusing." And, he warns: "Quite a few plan improvements are being held up because of uncertainty over what the federal government will do." To Frank L. Griffin, Jr., a vice president and actuary of The Wyatt Co., even the more modest proposals constitute "a foot in the door that's ultimately aimed at taking the 'private' out of pension plans."

Insurance man Victor Lutnicki adds: "There's the prospect of voter appeal to pension reform." Rep. Griffiths confirms this: "Just talk about pensions and you'll be astounded by the response you get."

The most comprehensive measure, next to Sen. Javits' bill, is one by Rep. John D. Dingell (D-Mich.). When Mr. Dingell's father was in Congress, he pushed for federal health insurance for everybody. Rep. Dingell would require 10-year vesting and set up a clearinghouse into which employers could transfer accumulated pension assets of former employees.

Congressman Dingell maintains that he agrees it is "in the public interest to encourage the growth" of private plans. But, he adds, "most private pension plans at present are inequitable in their treatment of the rights of persons who, for one reason or another, leave a long-term job before reaching retirement age."

Both employers and union spokesmen have questioned the need for compulsion in vesting.

"The issue is not whether vesting per se is either good or bad," says GE's Mr. Lockton. "Vesting of pension rights after a period of years of service with one employer is, indeed, a valuable asset of the modern pension plan. Most plans—up to 85 to 90 per cent in the employer-administered plans—have some vesting as an essential feature."

The issue, as private planners see it, is whether the federal government should be allowed to stamp out the flexibility of private pension plans by setting a standard that would apply to all. No two pension funds are the same; they have been individually tailored to best match the employees' desires and needs with the employers' ability to pay.

A union or a company, for example, might prefer using the money available for pensions to provide higher benefits to those who stay in service until retirement rather than using up a substantial portion of pension funds on benefits for transient workers.

As one corporate lawyer sees it, "Federal vesting standards would try to fit one kind of pension cap on all heads."

Comments the University of Michigan's Dr. Fischer: "Pension coverage in this country has grown

at a tremendous rate since the war. When anything is as successful as this, it seems prudent to go about changes with great care." He adds that a plan without vesting is better than no plan at all. "The automobile workers took this attitude, started with no vesting whatever, and now have succeeded in having strong vesting added to their pension plans."

Regarding portability, Mr. Lockton believes, and others agree with him, that the transfer or clearinghouse device most frequently proposed—a government-operated kind of social security fund—would "probably lower the amount of pension payments to individuals."

If a retiree accumulated vested rights in, say, three private funds, he now gets three monthly pension checks. All that a clearinghouse would do is consolidate his separate benefits into a single monthly check.

Planners dread the thought of another federal bureaucracy into which they'd have to file reams of records. And they believe they can keep administrative costs down better than the government can.

Federal insurance could backfire

The concept of federal reinsurance of pension plan promises is another hot issue. Sen. Vance Hartke (D-Ind.) and Rep. Elmer Holland (D-Pa.) have bills embodying it, and Sen. Javits' pensioncare proposal asks the same. What is sought is an agency similar to the Federal Deposit Insurance Corp. which insures bank deposits. It would support its operations by charging pension plans fees or premiums.

Such a program would "seriously discriminate against pension plans established by stable organizations which are likely to continue in existence for many years," maintains Preston C. Bassett, vice president and actuary with Towers, Perrin, Forster and Crosby, Inc. Also it "may encourage minimum funding by employers. It would be cheaper to pay the premium than to adequately fund the pension plan, thus stimulating the wrong kind of pension planning."

Mr. Bassett and others question how you can insure soundly against the risk of business failure. Chase Manhattan's Mr. Lindberg testified at hearings last summer on Sen. Hartke's bill that the FDIC is not analogous to an agency that would insure against broken promises of pension plans.

Separate bills introduced by Sen.



More government regulation of private pensions plans is in the offing, says Carl H. Fischer, professor of insurance and actuarial mathematics at the University of Michigan.

Turnpike tightwad



On long hauls, Chevy heavyweights take all the shortcuts to economy!

Chevrolet's 1967 heavyweights know all about economy.

There are 69 models in Series 70 and 80, each with a long list of component choices that gives you custom selection without a custom price. Pick your power—gas or diesel. Two truck-designed V6 gas jobs thrive on regular-grade fuel. Diesel economy is packed in a pair of GM Toro-Flow 4-cycle engines or the 6V-53N Detroit Diesel. There's a big choice of axles and transmissions, also,

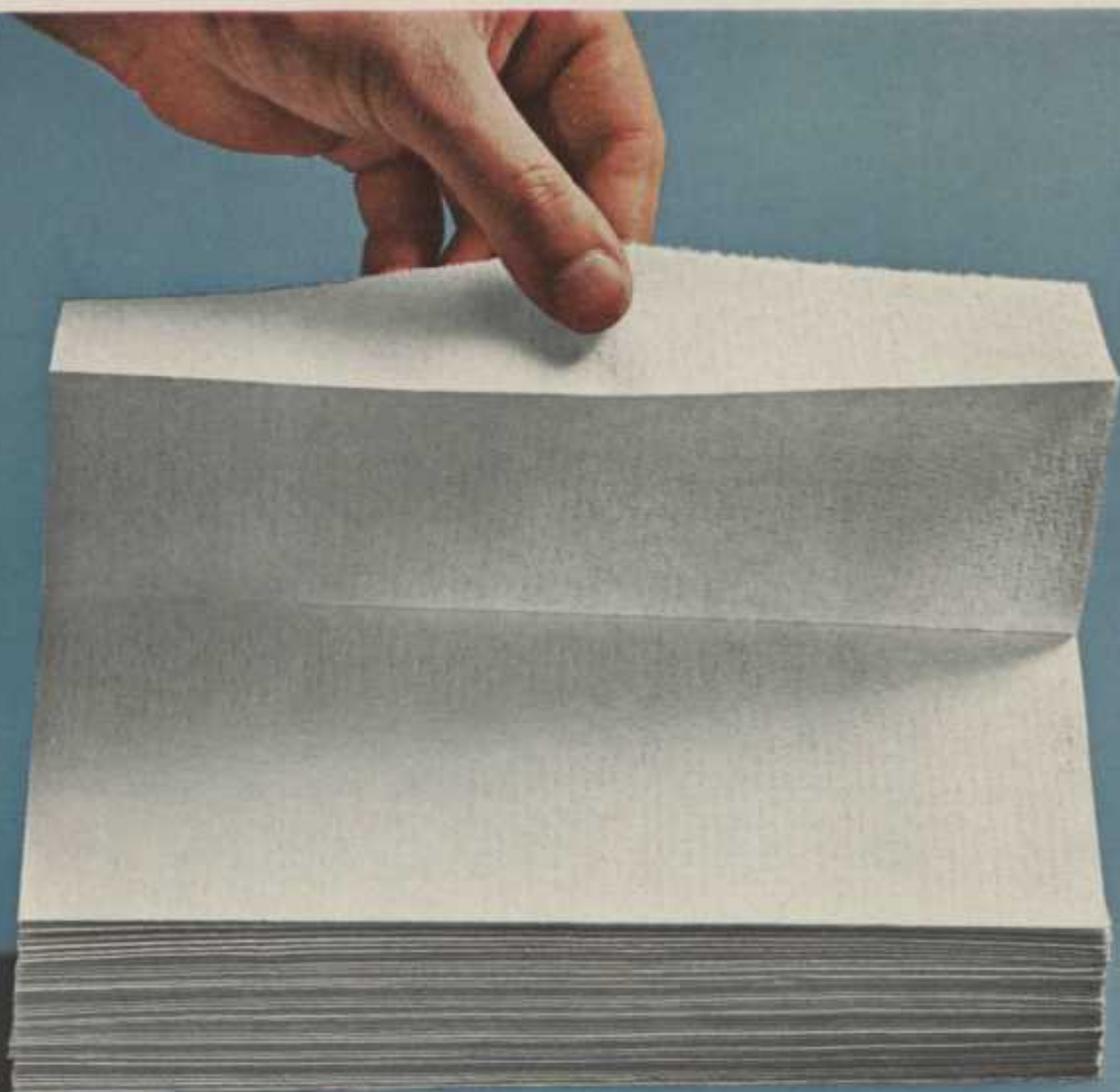
so that you can pick the right combination for your job.

And that efficient 92 $\frac{3}{4}$ " big truck cab is worth a closer look, too. Tilt cabs are also available. GCWs go up to 65,000 lbs., single or tandem axles.

If you're looking for shortcuts to economy without being shortchanged on performance and stamina, stop by your Chevrolet dealer's. He's the man who talks your language. Chevrolet Division of General Motors, Detroit, Mich.



a brand new breed for '67!



Pick a towel, any Fort Howard paper towel. Get quality you can depend on, time after time. Big, soft, spongy towels that stay strong, even when soaking wet. Folded towels or roll towels in a variety of grades and sizes to fit any cabinet, any budget. Get service you can depend on, too, from the Fort Howard Paper Man. He's "Mr. Dependable," the paper wholesaler who makes sure you get service as dependable as the quality of our paper towels, napkins, toilet tissue and printed paper place settings.

Fort Howard Paper Company

Green Bay, Wisconsin

AMERICA'S MOST USED PAPER PRODUCTS AWAY FROM HOME

"MR. DEPENDABLE"



FORT HOWARD
PAPER MAN

WILL WASHINGTON RUIN PENSION PLANS?

continued

George Smathers (D-Fla.) and Rep. Holland would penalize any pension plan which reduces the amount of contributions or benefits for any employee because of increases in social security benefits.

With the wage base and tax rate for social security constantly climbing, many employers are wondering how long they can continue to pay the higher payroll taxes and at the same time funnel sizable amounts into their private plans.

Lawmakers who call for greater federal involvement in private pension plans say they want to broaden private coverage. Many who administer private plans fear the exact opposite will result. Businesses contemplating a pension plan but unsure of their immediate ability to meet stricter federal standards will drop the idea, this thinking goes.

Likewise, those that have been operating a pension fund but can't afford the increased cost in money, paper work and personnel that unquestionably would go with added federal regulation, might quit.

Charles A. Siegfried, president of Metropolitan Life Insurance Co., declares: "In the interests of keeping the administrative costs involved in the operation of private pension plans within a reasonable level, legislation and regulations should be aimed at reducing as far as possible onerous burdens of record-keeping and tax reporting information."

He suggests this is the way to spur a rise in pension coverage.

Some think private plan coverage could be expanded, especially to employees of smaller businesses, by allowing tax deduction for employees' contributions to the plan. Canada allows this.

At nearly every hearing and in nearly every bill having to do with private pensions, lawmakers stress the "favorable" tax treatment given private pensions. There is a tax incentive to set up a plan, but it amounts to more of a tax deferral than avoidance.

Employer contributions to a pension fund are tax-exempt, up to a point; the Internal Revenue Service penalizes overfunding of a plan. Income earned on these accumulated assets is not taxed while it remains in the fund, but distributions to retired or disabled employees are taxed. Any money a business allocates to a pension fund is tied to that fund.

And while some Congressmen

and bureaucrats leave the impression that private pension funds are unregulated, those active in the field remind that they are subject to the Internal Revenue Code, the National Labor Relations Act, the Securities Act of 1933, the Securities Exchange Act of 1934, the Labor-Management Relations Act of 1947 and the Federal Welfare and Pension Plans Disclosure Act. Too, fund trustees are, in many cases, subject to state laws and regulations.

The IRS scheme

Another bombshell hit private pension plans late last year. A September 19 IRS Bulletin carried an announcement in a section entitled "Items of General Interest Except Those Relating to Alcohol, Tobacco and Firearms Taxes Which Are in Part III." IRS maintains its announcement was merely a request for assistance; critics say it was aimed at testing the wind.

It did much more than test the wind; it bred a tornado of protests.

For an employer's contributions to a retirement trust to be tax-exempt, the Revenue Code decrees that benefits, after being counted in or "integrated" with those of social security, cannot discriminate in favor of highly paid employees. That is, benefits as a percentage of pay can be no greater for higher-paid employees than for the rank and file.

IRS asked for comments on changing the formula, and heard from thousands of businessmen and pension plan administrators that this would either force them to cut back benefits for their higher-paid employees or increase those for the rank and file.

The IRS request, if ever adopted, undoubtedly would increase pension fund costs greatly; employers would be very reluctant to cut back incentives for top executives and therefore would have to fatten payments for the rest of the employees.

After the storm of protests, the Treasury appointed an advisory panel to review the integration rules. That's where the matter stands—probably for some time.

Whatever else is said about private pension planning, it undoubtedly is a complex, specialized field. And what worries many of those who have spent a lifetime grappling with the problem is that someone who may mean well, but doesn't know the issues and consequences, will do great damage. **END**

Yes,
Fred
Foresite,
you still
need
HERCULES
Fire-Fighting
Files



Fire insurance? Absolutely! But fire insurance can't replace lost records. Burned records are gone forever. Yet you need records to continue business and to help prove insurance claims. So protect vital records in Hercules Files. Sold by office equipment dealers everywhere. See yellow pages under "Safes." Or write for free fire-facts booklet.

Meilink Steel Safe Company
Dept. NB-4 • Box 2567 • Toledo, Ohio 43606

For protection of
personal records
and valuables...

HERCULES Home Vaults®

Official fire-resistive label.
Wall, closet, file, portable models.
\$19.75 to \$143.50 (Eastern Zone).
FREE catalog on request.



PROTECTION PRODUCTS SINCE 1899

calculating machine

THE CURTA IS A PORTABLE
CALCULATOR FOR ALL
ARITHMETICAL OPERATIONS

A precision instrument that gives desk calculator
performance and "on the spot" answers anywhere.
Model I price \$125.00. Model II \$145.00.

FREE! 64-page Mathematical Handbook

Contains tables, conversion factors, formulas for
business, science and industry. For free booklet
and information write to Curta Company, P.O. Box
2414, Van Nuys, Calif., Dept. NB-4



weighs
only 8 ozs.

CURTA COMPANY



**Electric
Wastebaskets**
**STOP people from
misusing your mail.**

How? Write: Dept. NB-4

Electric Wastebasket Corp. 145 W. 45th St., N.Y. 10036

NINE UNKNOWNNS WHO INFLUENCE YOUR BUSINESS

Some businessmen might label them "bureaucrats" who "never met a payroll." A university professor might downgrade them as "lackeys of the politicians." Most voters would say, "Never heard of 'em." Yet there are hundreds of them thinking, advising, arguing, asserting, interpreting and administering in office suites ranging from austere to audacious.

These men—plus a sprinkling of women—are "civil servants," career government employees in positions just under the policy and political-appointive level.

They toil unnoticed and underrated. But in our modern-day federal governmental establishment they serve an increasingly important role—not only for their bosses but for the businessman and other voters.

The civil servant's role in government and society stretches back almost beyond the memory of man. The Chinese had a distinguished civil service centuries ago; the modern civil service first appeared with the formation of the national state, notably Seventeenth Century France and Prussia.

The concept of a nonpartisan, permanent civil service was imbedded in the first American federal government. It was interrupted by Andrew Jackson's spoils system, but civil service came back in 1883. It has been extended, refined and—of course—greatly expanded since.

A civil servant, on paper, doesn't make policy; he

PHOTO: DENNIS BRACK-BLACK STAR



Orval DuBois (below) of the Securities and Exchange Commission has helped run the SEC since it began in 1934. James Dring (left), though an IRS newcomer, converts tax law into his agency's official regulations.



Harold Swartz (below) heads a staff of 760 at the Internal Revenue Service who prepares tens of thousands of rulings annually on what is and what isn't taxable.



LBJ and Louis Paradiso (below) of the U. S. Department of Commerce have something in common. Both of them deliver annually an official forecast on the outlook of the U. S. economy in the year to come.



Walther Lederer (above) pulls together the facts and figures that add up to our balance of payments account. John Kuss (below), Defense Department, helps sell more than \$1 billion of "hardware" yearly.





Three young Federal Reserve Board brain trusters confer with Board Chairman William McChesney Martin. From left to right, Robert Solomon, Robert Holland, Daniel Brill, all top-notch research economists.

NINE UNKNOWN WHO INFLUENCE YOUR BUSINESS *continued*

advises and implements. But as things stand today in our government, the civil servant—especially those in the highest career echelons—has wide influence on both policy and its implementation. And under President Johnson, increasing numbers of them are being elevated to top jobs.

To illustrate this underestimated, little known facet of government life, *NATION'S BUSINESS* talked to nine outstanding civil servants whose work has direct bearing on the business community. These men work in the Commerce Department, Defense Department, Internal Revenue Service, at the Securities and Exchange Commission and Federal Reserve system. Their selection was both arbitrary and illustrative; other men, and women, perform other important tasks. Yet those chosen are among the most outstanding and important in Washington.

The interviews turned up these generalities:

These civil servants work hard. The hours are long, the frustrations equal to any in private life—especially in the areas of trying to persuade Congress to accept suggested legislation.

These men are intelligent, articulate, oriented to a philosophy which asserts that the federal government should continue to play an important part in the economic life of this country.

They insist they have virtually complete independence of thought, freedom of inquiry and excellent relationships with the top policy makers for whom they work. Pressures from politics are at a minimum, they assert, although these civil servants are practical enough to bend with the policy winds coming from their boss's office, from Capitol Hill or from the White House.

They say they enjoy good relationships with "outsiders"—with private professionals with whom they share data and gossip, with the business associations with whom they trade statistics and secrets, with the academic world from which the civil servant may have come and which has plenty of thoughts of its own.

They earn comfortable salaries—up to about \$25,000. In many cases they might command more from the private corporation or "think factory." But government pay has improved considerably in the past five years.

They insist they do not make policy. But many of their suggestions and recommendations are turned into formal decisions and even new law.

Commerce Department forecaster

Louis John Paradiso shares a unique distinction with President

FLAIL SAFE MOWING



THE MOTT VERTICAL MOWING SYSTEM

In the Hammer-Knife flail mowers, MOTT has something that is entirely different and distinctively better than any other mower on the market.

Who else can mow fine lawns, shred weeds, mulch leaves, and renovate—work in all sorts of conditions with maximum safety—all with the same unit?

In the market for a mower? Drop us a line and we'll tell you more . . . and show you why MOTT is superior to all other types of mowers.

- Lightweight, free-swinging knives
- Shock absorbent—fold back from obstructions
- Minimize throwing struck objects
- Knife type cutting action uses less power
- Cuts better . . . distinctively better
- Full range of sizes from 18 inches to 24 foot gangs.



MOTT CORPORATION

349 Shawmut Ave., LaGrange, Ill. 60525

GRAPHIC VISUAL CONTROL



You Get Things Done Better And Faster

The **BOARDMASTER** saves time, cuts costs and prevents errors. You see what is happening. Shows facts at eye level. For Production, Scheduling, Inventory, Sales, Traffic, Etc.

Simple to operate. Write on cards, post on board. Fully flexible. Million in use. Price \$49.50 with cards.

FREE

24 Page BOOKLET No. T-10
Mailed Without Obligation

GRAPHIC SYSTEMS, Box 398, Yanceyville, N.C.

DEPENDABLE WINCH FOR PICK-UP TRUCKS



BELLEVUE Electric Winch

Here's winch power you can count on—always—for your 2- or 4-w.d., even with a dead engine! Valuable work tool—vital for back country recreational use. Develops up to 6000 lbs. pull, runs with vehicle in any position. Even a woman can handle it. Thousands in use. Guaranteed. \$260.00 f.e.b. Portland. At I-H, other truck dealers, or write Bellevue Mfg. Co., 5120 K S.E. Milwaukee Ave., Portland, Ore. 97202.



NINE UNKNOWN WHO INFLUENCE BUSINESS

continued

Lyndon Baines Johnson: They are the only two men in the federal establishment who, during the course of each year, make a public, formal analysis of the national economy.

Many other Federal officials—especially the Treasury and Commerce Secretaries and the President's three-man Council of Economic Advisers—do pontificate, sometimes often, on the state of business—past, present and future.

But the only two definitive government economic outlooks presented annually are the President's economic report to Congress and Mr. Paradiso's yearly speech to the Agricultural Outlook Conference. (The forty-fourth annual session was held early in December.)

Mr. Paradiso is an influential civil servant, whose work as associate director of Commerce Department's Office of Business Economics is of great importance to the business community. He is only one of several hundred economists working for Uncle Sam (their ranks and their voices, like those among private industry, are increasing in importance and volume), but his job status makes his influence much greater than his title suggests and his interpretations more important than practically all others.

Among other things, Mr. Paradiso takes a major role in preparing and collecting data for a dozen Commerce surveys—such as plant and equipment spending, inventory levels and new manufacturers' orders. In fact, Mr. Paradiso developed all these, and more, but still isn't satisfied.

Among the "new areas to be explored," the economist lists the desirability "of getting a better fix on businessmen intentions to spend on plant and equipment."

The Commerce-Securities and Exchange Commission forecasts on capital spending haven't always been accurate, nor have those made privately.

"We need a broadened sample," Mr. Paradiso says, "to see what kind of bias goes into the reports we get." He also asserts forecasters need better data on corporate profits: "We need to speed up these reports, and we need faster reporting on inventory policies."

The Commerce Department is now preparing improvements in these areas.

Mr. Paradiso also is striving to improve regional analysis of economic trends and is leading de-

partmental efforts to expand and update its output-input data—an economic series also pioneered with Mr. Paradiso's help. These studies trace what happens to industries when one particular business changes, expands or contracts. Mr. Paradiso calls these data "invaluable market tools."

A study into the "structure of the American economy" was one of the first tasks undertaken by Mr. Paradiso after joining the government (in 1934, with the National Recovery Administration—NRA). He and Gardiner Means built, on paper, a "model of the U. S. economy" and concentrated on "what facilities and resources the nation would need in the event of full employment economy."

That was quite an optimistic endeavor, during the Great Depression days.

Mr. Paradiso, a native of Italy (he became a naturalized citizen in 1927), holds degrees from Rutgers, Ohio State and Cornell Universities. (Cornell gave him his doctorate.) He's a pipe smoker and inveterate chart reader and is convinced that government economic studies, surveys and interpretations have great weight within and without government.

Mr. Paradiso, who is 64, has served under five Presidents and eight Secretaries of Commerce. "Every one of the Secretaries has had the problem of learning how to measure the economy," Mr. Paradiso has been their principal teacher, lugging his charts into the Secretary's office for weekly or monthly presentations.

"I remember Henry Wallace always wanted me to give him the latest confidential reports," recalls Mr. Paradiso. "Sinclair Weeks was a great gentleman. I always brought 20 charts to his briefings. Luther Hodges certainly was full of pep. But he would say, 'Spread your charts around on the tables.' Mr. Hodges preferred to look at them sitting down."

Mr. Paradiso is one of the few key civil servants to interrupt government service for a stint in private industry. He spent two years (1947-49) with an economics firm in New York City. "I wanted to get away to get another perspective. Two years away from Washington gave it to me."

SEC spokesman

Orval Lee DuBois once was de-

Buy Bonds where you work.

They do.



They move out from the landing area and toward their work. Not knowing what they'll find over the ridge. It's a tense job, defending freedom. It takes brave men to do it well. These men are brave — and far-sighted as well. You see, a majority of all our servicemen in Vietnam save for the future and support freedom with their dollars through regular purchase of U.S. Savings Bonds. Should you be showing these brave men you appreciate their sacrifices? You do it when you buy Savings Bonds where you bank or join the Payroll Savings Plan where you work. You also walk a bit taller.

Freedom Shares — new plan for Americans who want to help their country.

Now, when you join the Payroll Savings Plan or the Bond-a-Month Plan, you are eligible to purchase the new type U.S. Savings Notes — Freedom Shares — as a bonus opportunity. Freedom Shares pay 4.74% when held to maturity of just four-and-a-half years (redeemable after one year), are available on a one-for-one basis with Savings Bonds. Get the facts where you work or bank.

Join up. America needs your help.



The U.S. Government does not pay for this advertisement. It is presented as a public service in cooperation with the Treasury Department and The Advertising Council.

He's been the voice of SEC since the agency was born, over 30 years ago

scribed as "the busiest one-man band on Second Street." That was when the Securities and Exchange Commission, for which Mr. DuBois works, was on Washington's dingy Second Street. The regulatory agency has since moved three blocks away, and now Mr. DuBois is unquestionably the "busiest one-man band" on North Capitol Street.

Orval DuBois is secretary to the SEC, has been since May 5, 1942. However, he's been with the agency a lot longer—since the first day it was established, on July 2, 1934.

"I remember," says Mr. DuBois, "that hot summer afternoon when James Landis, Joseph Kennedy and Ferdinand Pecora met behind closed doors to decide who would become chairman. They met in Landis' office, and he was the choice. I recall relaying the news to a couple dozen reporters waiting in the hall."

Mr. DuBois has been relaying SEC news, decisions and corporate registration statements to the press—and to the public—ever since. As secretary to the Commission, he signs all orders going out as official agency documents; he counted 4,416 signed during 1966. These summaries recount in Mr. DuBois' language and through his typewriter ("I always do my own typing; faster that way," he remarks), the SEC's orders, decisions, corporate filings and other actions. More than 2,500 investment houses and others buy the service, and it goes also to several hundred newspapers and other publications.

In short, Orval DuBois is a little known, highly important "civil servant" whose work and actions bear importantly on the business-investment community.

In addition to sitting in at most Commission hearings and meetings, Mr. DuBois schedules hearings before the commissioners or their examiners, rules on procedural matters, assigns examiners to cases and handled all mail the SEC gets from Congress—and it gets plenty.

One of his major chores is preparing the agency's daily summaries—and writing the complex rulings, decisions, appeals and registration applications in everyman's language. But Mr. DuBois insists that, "My major strength to the

Commission is in the area of public relations, keeping things moving, acting as liaison between the Commission and the public and Congress, responding to inquiries."

Orval DuBois is a short, dapper, quick-moving, fast-talking man of 56 whose ruddy cheeks usually frame an enigmatic smile, especially when some Washington reporter is digging into a rumor or trying to pry an SEC secret out of its secretary.

Mr. DuBois comes out of Agra, Kans., Grand Island Business College and Benjamin Franklin Institute. He went to work as a clerk-stenographer for the Federal Trade Commission, worked up to be Commissioner Landis' secretary—which explains how Mr. DuBois came to the SEC. To date, he has served under 43 different SEC members and 15 chairmen.

Like all civil servants, he resents the ever-present (and, perhaps, understandable) private attitude that government servants just couldn't make the grade in private industry or business. "I wish I could show you a full roster of former SEC people who now head private corporations," he says. Thereupon, Mr. DuBois ticks off some:

Don Cook, head of American Electric Power Co.

Albert Tegen, president of General Public Utilities Corp.

Ralph McElvenney, president of American Natural Gas Co.

Fred Moss, president of the Boston Stock Exchange.

Ralph Saul, president of the American Stock Exchange.

Recently, Mr. DuBois handled the liaison work in connection with the SEC's thick and important report on investment companies. The summary of that report, to judge by many comments from the press, investment officials and Congressmen, was an excellent example of government gobbledygook translated into classroom prose.

When one man congratulated Mr. DuBois on such clear writing, the SEC secretary smiled in his enigmatic manner and insisted others get the credit. Then he loped from the room to take his forty-eighth telephone call of the day.

Harold T. Swartz and James F.

Dring are two outstanding civil servants whose tasks, it might be said, "tax" the hearts, pocketbooks and legal departments of almost every business in this country.

IRS tax experts

Their behind-the-scenes work brings them into more contact with the business community than any other official or agency of the federal government except the Post Office.

Mr. Dring, as director of the Internal Revenue Service's legislation and regulations division, converts tax law into regulation. He also serves as ex officio chairman of the IRS committee on legislative recommendations—meaning he has a key role in drafting tax legislation and recommending statutory changes to IRS's parent, the Treasury.

Mr. Swartz, as assistant internal revenue technical commissioner, works at the other end, supervising a staff of 760 who prepare and issue up to 40,000 rulings annually on tax problems. Most are brought to Mr. Swartz by business and other taxpayers; since tax application and policy is of such importance to all business, it is understandable that Mr. Swartz' recommendations are often the pivotal factor in corporate decisions on acquisitions, mergers, pension trusts, consolidations, investments and even bookkeeping.

Since 1938 the IRS has held the right to issue determinations that might help taxpayers determine a variety of decisions. "This policy," says Mr. Swartz, "has come to be recognized as a service; no other government in the world will issue such rulings in advance."

The IRS official points out that the tax letter rulings which go out from his office are not legally binding on the taxpayer but are, generally speaking, binding upon Uncle Sam.

Mr. Swartz insists 60 per cent of the requests "are answered within 90 days, most of the rest up to six months. In some transactions, however, more time is needed to develop facts and to understand in detail what the taxpayer intends to do."

In short, Mr. Swartz acknowledges IRS doesn't always act fast enough to suit some taxpayers.

Mr. Dring finds himself in the same boat. "My phone rings 20 or more times a day," he says, "from people asking when certain 'regs' will be ready." Invariably, Mr. Dring's regs are much lengthier than the law; one of his latest problems was interpreting one paragraph of a new tax law dealing with

"common corporate control of division of assets." The statutory paragraph was eight lines short; Mr. Dring's interpretative regulations were 200 pages long. The Eighty-ninth Congress during 1966 passed five major tax bills, and the IRS still is preparing regulations on some. As do other civil servants, the two IRS officials see a minimum of political pressure. However, Mr. Dring, who is a youthful-looking 43, does concede being "aware of political realities. We have to recognize them."

For example, IRS has long held power to speed the way corporations pay their taxes; but such decision was made only after political reasons supported such action. President Johnson got behind the idea to help his fiscal 1967 budget.

Both men also say IRS is aware of public reaction to its regulations and rulings, and sometimes modifies them as a result of protest.

Mr. Swartz, 58, started with IRS in 1935 and rose to his present job in 1958.

He speaks frequently to business groups concerned with taxes and has authored articles on corporation taxes and the tax aspects of pension plans.

Mr. Dring got his present job a year ago.

Fed brain trusters

Daniel H. Brill, Robert Solomon and Robert C. Holland might shudder at the description, but they are, by considered judgment, the newest, and most influential brain trust in Washington. They are, in summary, a top-notch team of research economists, the catalysts, the implementors, and to some degree the innovators of, and for, the Federal Reserve Board.

Significantly, they came into their own during 1966—which has been described in monetary circles as "the year of the Fed." It was a period in which Federal Reserve policies were much debated, much used and much criticized.

"Plenty of academic theses will be written about last year's policies and decisions," says Bob Solomon.

Not only is the Fed's triad more vocal, more influential, more active (and, a critic might say, more ambitious) than ever, but its members are younger than at almost any time in the past. Ralph A. Young, formerly the board's senior adviser and director of its international finance division was a member of this team until his departure from the Board recently. The others are younger and are a tough, new breed within the Fed's stately marble

building on Washington's Constitution Avenue.

Mr. Brill, 48, is senior adviser to the board, director of research and statistics and economist for the Fed's highly important and influential Federal Open Market Committee. Mr. Brill is a jolly man, free-talking, ever-thinking and as comfortable with a Congressman as he is with his top boss, Chairman William McChesney Martin, Jr.

Mr. Solomon, at a pipe-smoking 45, is an adviser to the board and director of its international finance division. He is short physically but tall intellectually, and in charge of

trends for presentation to the seven-man Fed board. Their work has grown in importance because of the "upgrading" interest and appreciation of economics and—even more important—because four of the seven governors are themselves economists.

"That fact alone," summarizes Mr. Solomon, "has changed the place."

All the brain trusters make a point of claiming the independence and the encouragement to delve into whatever areas and sections of the economy they deem worthy of research and investigation.

"The board," says Mr. Holland on this point, "has made a fetish of demanding its advisers to speak their minds. I never have been told what to say."

There is, however, another side to the brain trusters' activity. Mr. Holland says an adviser "must serve two masters: His own intellectual honesty and the philosophy, outlook and demands of the board members. An adviser must be ready to give them the ammunition they want and, at the same time, all contrary evidence possible."

"During a good bit of the 1940's and the 1950's," Mr. Brill notes, "monetary policy wasn't used very much. It was fashionable among economists to say that money really didn't matter. Now things have changed, especially in the last year."

Mr. Solomon points to a "growing public interest in economics."

"Why, Walter Heller, the former Presidential economic adviser, recently was the butt of a New Yorker magazine cartoon. Such a thing couldn't have happened 10 years ago; no economist was that important."

Pentagon's supersalesman

Henry John Kuss, Jr., a Federal civil servant who weighs 260 well-distributed pounds and who speaks in a patiently modulated baritone, must rank as one of the world's most successful salesmen. How many other men can report they sold \$1.9 billion worth of "goods" last year?

Mr. Kuss did, and what's more he looks forward to handling around \$1.5 billion worth of business in each of the next 10 years. Mr. Kuss is in "hardware," U. S. military hardware which he—as a deputy assistant defense secretary for international security affairs—peddles to more than 50 foreign governments, defense departments, armies, navies and air forces.

Mr. Kuss, 44-year-old native of

**Should Washington
kickback
to the states
some of the
staggering sums
brought in by
federal taxes?
See page 35.**

an area which is getting more and more attention not only within the Fed but within the Johnson Administration and international monetary and fiscal organizations.

Mr. Holland, 41, is the easiest going of the trio, and perhaps the most articulate. He is a specialist in the money market and secretary to the Open Market Committee. Between puffs on a long cigar, Mr. Holland—like his fellows—allows that 1966 was, for the Fed, a "hot year."

Basically, the brain trusters are busy researching economic, business, monetary, fiscal facts and

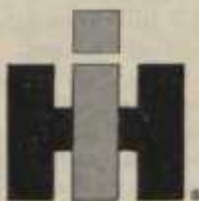
**Move it,
lift it,
load it,
dig it,
grade it,
build it up,
or tear
it down**

Nobody offers as many man-savers

Why should a man even care about International having the biggest power line on the market? So what if International does have 24 different tractors ranging from 7 to 135 hp? So what if there are 13 different dirt moving attachments and 12 fork lifts and 6 loaders and 3 backhoes and every kind of mower from flail to cutter-bar? Chances are a man only wants one. Right?

But there is a point worth considering. With International's full line, a man is sure of finding the exact tractor and matched equipment he's looking for. That's for any job, aerating to zoo keeping. Big rigs, little ones or in between. And every one backed up by the experience gained from building over 4 million tractors.

Talk to your IH dealer about any power need, and while you're at it, talk money. He offers one, two and three-year financing. Up to three deferred payments a year during slack seasons. Leasing. Leasing with option to buy. Or you suggest something. He wants to make a deal!



INTERNATIONAL HARVESTER COMPANY
The people who bring you the machines that work



One of 12 International fork lifts with lift up to 28 feet.



12 hp International Cub Cadet with 48" rotary mower.

and money-savers as **INTERNATIONAL HARVESTER!**

13 hp International Cub® tractor.



Self-loading, 9-yard E-200 International Pay® scraper.



Whether it's money policy, or arms sales abroad, they're involved in it

Long Island and a graduate of St. John's University in Brooklyn, N.Y., never as much as sold a shoe-lace before coming into his position in 1961, after Defense Secretary Robert McNamara decided to undertake an intensive effort to sell U. S. military hardware and defense systems to foreign governments.

The objectives were to help the free world keep up its defenses, to bring increased compatibility to major military systems and, mainly, to help the American balance of payments deficits.

During the last five fiscal years, Mr. Kuss's team has sold \$11 billion worth of U. S. hardware.

In the next decade, Mr. Kuss thinks the "free world, exclusive of the United States, will spend between \$65 billion and \$75 billion for acquisition of military hardware. I think the United States can continue to export an average \$1.5 billion annually.

"These figures, by the way, show how inaccurate are arguments that America is taking the bulk of business away from foreign military producers."

Throughout his present job, to which he came by dint of outstanding performance in the Defense Department budget area, Mr. Kuss's ticklish problem has been to persuade U. S. corporations of the dollars to be earned in marketing military equipment abroad.

In a bid to increase business and industry effort in selling military products abroad, Mr. Kuss has instituted a "series of weekly smokers" for industry executives. They will be invited to meet in Mr. Kuss's Pentagon offices "to discuss their product lines and possibilities of export."

Mr. Kuss is convinced that "thousands of U. S. companies doing work on military subsystems can sell to prime contractors abroad."

For the record, Mr. Kuss says if the sale "is in line with our national interest, we go after it. If not, we don't."

However, some members of Congress recently have complained that the United States sells too much military equipment and are planning hearings into the matter.

As to reasons for his success, Mr. Kuss (in the phrases of most salesmen) says "often the success for anything is in the timeliness of the product to be sold. The market was there. We moved in. Of course, our 'product' is difficult to demonstrate; you can't sell munitions and defense systems on a commercial-line basis." Five years ago, when Mr. Kuss started in "business," U. S. military sales (for cash or credit) ran 43 per cent of military aid grants (or giveaways). Today, Mr. Kuss's sales run 235 per cent ahead of grants.

What if the world reaches a disarmament agreement; what happens to Mr. Kuss's "business"?

"That would be just great," the Pentagon's supersalesman says. "Then we would probably sell detection and inspection systems, and so forth. I'm all for it."

Toting up balance of payments

Walther Lederer is a 58-year-old, soft-spoken Austrian-born economist with a Washington reputation of being a stubborn man. For this, the business and financial community, and even Mr. Lederer's political peers, should be grateful.

Mr. Lederer's primary job, in the Commerce Department's Office of Business Economics, is pulling together the facts and figures which make up the nation's balance of payments account. He has been chief of the 55-man staff since 1954, "putting (as he describes it) all the figures in systematic form, trying to analyze the results, seeing what has happened, trying to make estimates for the future under various assumptions."

In any accounting, there are various techniques used to gather data and even more methods and approaches to analyzing the results. So it is with this critical account which Mr. Lederer takes in hand daily and reports, formally, each quarter.

Let Mr. Lederer describe the situation today:

"Remember," he begins, "we are not in the policy-making area. But people who are in this area want the data and rely on us for it. The way you set up the account, the way you interpret it, depends on

understanding the various figures, how they were collected, the shortcomings in the data and the samplings.

"Sometimes one has to adjust various sections of the account to current developments. In any economic problem that becomes a political problem (as most certainly the balance of payments account has become), there always are people who want to use the economic problem to support their political interest. . . .

"More and more people—inside the government as well as outside—use the balance of payments and the way it's kept to bolster their individual positions."

It, obviously, makes it more difficult for Mr. Lederer to use non-partisan methods in presenting the account to his political superiors.

As is obvious from the balance of payments reports issued by the Administration, Mr. Lederer hasn't won all his battles. Each quarterly report now comes in two sets of tables and two measurements—one long used by Mr. Lederer's group and another taking a different tack on certain short-term money movements. The latter is favored by the Treasury. He recalls that "we have had some strong disputes with the Treasury."

Mr. Lederer sees some need for more data. In the next few years, for example, he hopes to "conduct a major survey of American direct investments abroad." His staff now collects data from 1,000 large corporations, but, Mr. Lederer thinks, probably misses some of the smaller ones which recently have gone into foreign business.

Mr. Lederer also sees a need to get better information on foreign borrowings by American businesses—"how much money is obtained and used." He adds that "every once in a while we need an in-depth survey."

Mr. Lederer taught economics in New York City-area colleges and the University of Delaware before coming to Washington in 1942 with the Board of Economic Warfare. He had come to the United States in 1933.

Laconically, Mr. Lederer reminisces that "I was an economic research assistant at the University of Heidelberg, and when Hitler came to power our economic work rather dissolved."

There's little chance, however, the American balance of payments problem will dissolve—even under the resolute guidance of Walther Lederer.

END

Buy your next fleet car for George Brooks.

George Brooks (president of Football Sales, Inc.) needs a strong, good-natured traveling companion like you need economical, good-looking fleet cars. And he's got it. A '65 ex-fleet Plymouth which serves as an extra car.

It's a great car, used, which suggests that Plymouth is an even better buy new. A '67 Plymouth Fury, for instance, with features to win over the most persnickety salesman.

Like that Sport Fury below. Check the accent paint striping along the fender line. The turn indicators on top. Strictly custom—but standard.

Same story inside. Special 3-spoke



What's George Brooks got to do with fleet cars? If it's a Plymouth, it could be his next traveling companion. And George really gets around. Skis. Travels. Is an A-number-one sports fan. So as an extra family car, George owns a '65 ex-fleet Plymouth. A secondhand gem because it's still first rate.

wheel. Buckets that sigh when you settle into them; and between them, your choice of sporty console or unique armrest/seat cushion unit—all with our compliments.

Naturally you can tool up a Sport Fury as you please. Even to our Super Commando 440 V-8—biggest engine option in Fury's price class.

A whole new Fury story—25 models strong—is waiting at your Plymouth Dealer's. Unfold it. You'll find all that makes a fleet Plymouth a good used car for George Brooks also makes a new Plymouth a great buy for your fleet. Every '67 model is priced to win you over.



'67 Sport Fury Fast Top

Plymouth



CHRYSLER
MOTORS CORPORATION

Make the most of your weaknesses

Weighing your strong and weak points
is first step toward self-improvement

Everyone recognizes that an executive's job is complex. Most people—especially businessmen—will agree that the manager must have on tap a wide range of skills for satisfactory performance.

But we continue to think of the job as though it were a single monolithic thing. The oversimplification has costly consequences:

It prevents managers from understanding the true nature of the demands being made upon them.

It probably accounts for more cases of managerial failure than any other single cause.

The expectation of uniformly high levels of performance in all managerial activities is, in part, based on faulty observation. As a practicing manager, stand off and look at your own activity. For the most part, the job components—paperwork,

planning, procedures, people—blend smoothly. There is seldom a distinction made by the executive: "Now I'm supervising my people, now I'm doing paperwork," and so on.

Precisely because the areas seem to merge without any joining marks showing, we overlook a crucial fact; there are major gaps among the four major managerial areas, in terms of what it takes to deal with them. For example:

► **Paperwork:** This segment of your job requires an accountant's approach, an eye for detail. You must have the capacity for sticking with a procedure, following it down the line. A good memory, an ability to take pains, the ability to "think small" is essential.

► **Planning:** This area of activity demands imagination and creativity. You must be able to conceptualize and visualize, both in abstract and practical terms. Here the ability to "think big" is mandatory.

► **Procedures:** Executives in charge of production processes, with electronic data processing systems, men who must understand financial matters such as cash flow, are involved with intricate systems that they must understand and master. Here the executive has a need to "think technical."

► **People:** Dealing with people requires sensitivity to their feelings and attitudes. You must be able to distinguish between Subordinate A, who can be motivated by putting him on his own and challenging him to produce, and Subordinate B, who will only get off the ground by encouragement and the reminder that you're at hand to backstop him if he needs help.

Working in a context of individual values and aspirations means that you must have the emotional reflexes that will respond properly to the leadership needs of those around you.



This aspect of the job requires the ability to "think human."

Are you a four-way expert?

Once the requirements are spelled out, it becomes clear that few people possess the four qualifications to an equal degree.

Most men function very well in one area—for example, an executive may be a whiz at handling people yet be only fair in the paperwork and planning areas. Occasionally, one comes across an executive who performs very well in two areas, and scrapes by in the other two.

An executive is supposed to think big and think small, think technical and think human. Unfortunately, few of us are flexible enough or have the universal genius that can encompass such opposite qualities. The man who is capable of thinking big usually has difficulty in thinking small. The executive who's a master at thinking human somehow finds that the intricacies of thinking technical elude him. In short, the human personality and the human intellect almost invariably fall short of the ideal—an executive sufficiently well rounded to perform at high levels in all four basic areas.

The question is: How does the typical executive manage to perform as well as he does? There are three answers:

- One is the suitable job. This usually happens unconsciously, though it may also happen by choice. The executive gravitates to the type of job that best suits his capabilities.

While every executive must operate in each of the four areas to some extent, particular management functions tend to weight the demands unevenly. For example: Finance and accounting are heavy in the paperwork element. Marketing is heavy in the planning element. Production is heavy on the procedures element, particularly if the process is complex.

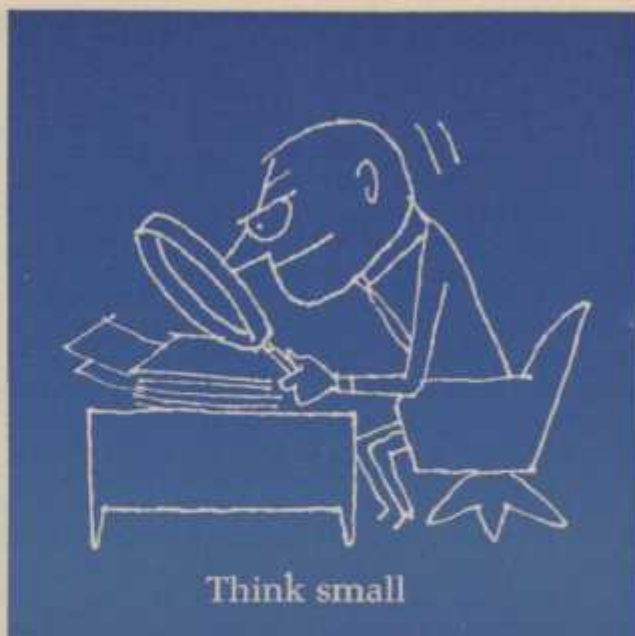
But a vice president of personnel or an executive involved in recruitment or development must have both a knowledge of and a sensitivity to the individual human being.

- The second way the executive can solve the dilemma is to put his major effort into the aspects of his job that he can handle at his highest skill level.

This adaptation of one's capabilities to the task at hand is almost universally practiced. It explains the executive who gets the reputation of being a good desk man, who can skim a report and digest its essential contents in a fraction of the time it takes his colleagues. It explains the executive who gains a reputation as a people-builder, based on his concentration on the development of subordinates.

As a consequence of this emphasis approach, an executive tends to create a halo effect that favors his performance as a whole. He's so outstanding in the areas of his strength that he gives a general impression of outstanding performance.

- Delegation is the third way in which an executive can get all facets of his job done well. Shifting to the shoulders of others the parts of a job in which one under-performs is a widespread and usually successful practice.



DRAWINGS BY CHARLES DUHN

There's nothing wrong, for example, in handing over some paperwork detail to a subordinate if it's the kind of chore that bores or bothers you. There's nothing wrong in handing over to a small team of subordinates a major planning project, if planning is not your strong point.

Steps to better performance

With the awareness that the four-way analysis of executive activity brings, it is possible to develop a series of steps that can lead to improved achievement:

1. Spot your high-performance areas. A combination of thoughtful self-analysis and observation of your job activities can help you decide which of the four areas—paperwork, planning, procedures or people—are your fortes.

If you're in doubt about how well you do in a



MAKE THE MOST OF YOUR WEAKNESSES *continued*

specific area, ask yourself questions along this line:

Do I like the activities that fall in the given area?

Do I solve the problems that arise in this area easily?

Have I, in the past, been able to score notable successes in a given area?

2. Pinpoint the job elements in your areas of greatest strength. Let's say, for example, that planning is one of your strong points. Isolate the procedures in your job that involve planning—for example the development of an agenda for a sales or production conference, a safety campaign, cost-cutting program and so on.

The purpose of this pinpointing is to increase your awareness and thereby your self-confidence and aggressiveness in these job aspects. Not an unusual case is that of a brilliant young executive in his early 40's who, in a period of about 12 years, gradually found his niche as a result of greater self-awareness. An M.I.T. graduate, he started as an industrial engineer, then worked into warehousing and traffic, made a switch to research and development, then finally into sales.

This was all with one firm—and he's still there—but now in a \$40,000-a-year post as a marketing manager. He's supremely happy and successful in marketing—in a post quite different than might be expected from his education and early industrial experience. He has at last come to realize his strong capabilities in the planning-creative aspects of his work.

3. Reinforce weak areas. Don't set yourself the unreasonable goal of trying to bring your performance in the weak areas up to those in which you're naturally strong. A more realistic objective is to try to strengthen weak-area performance to an acceptable level or, as one merchandising executive puts it, "I want to perform well enough to stay out of trouble."

Once you're satisfied in your own mind that you are comparatively at a disadvantage in a particular job area, make a conscious effort not to avoid activities that fall within it. This is an unconscious pattern with many executives and usually only compounds the difficulties.

An awareness that he is weak in the procedures area, for example, should lead a manager to devote a little more of his time to studying the problems, digging into the facts and figures that occur on this part of his job.

Through the traditional techniques of delegation and the assignment of tasks to subordinates, get the assistance needed to maintain high performance levels in weak areas.

Some maintain that executives should not even be judged on their own abilities as such. Instead, they measure an executive's qualities by the conglomerate accomplishments of his entire group.

In some cases where the executive is in the position to modify the content of his own job as well as that of colleagues, extremely constructive results may be derived from this procedure. Like a jigsaw puzzle, it is a matter of fitting existing forms together harmoniously.

4. Devise a plan for the future. The insights that may come about through this approach to the executive job lend themselves particularly well to your own career planning.

Viewing your areas of strength and those in which you perform less well, you may be able to come up with a new and more realistic pattern for your own self-development. Questions like these can help you reassess your personal objectives:

Do my career plans depend on high performance in weak areas? If the answer is "yes," what implications does this fact have for readjustment?

What courses of study or practice can I undertake to strengthen myself in vital but weak areas?

Are any of my weaknesses so crucial that I should consider rethinking my career objectives?

Considering my strong points, do they suggest some career objective different from the one I now have?

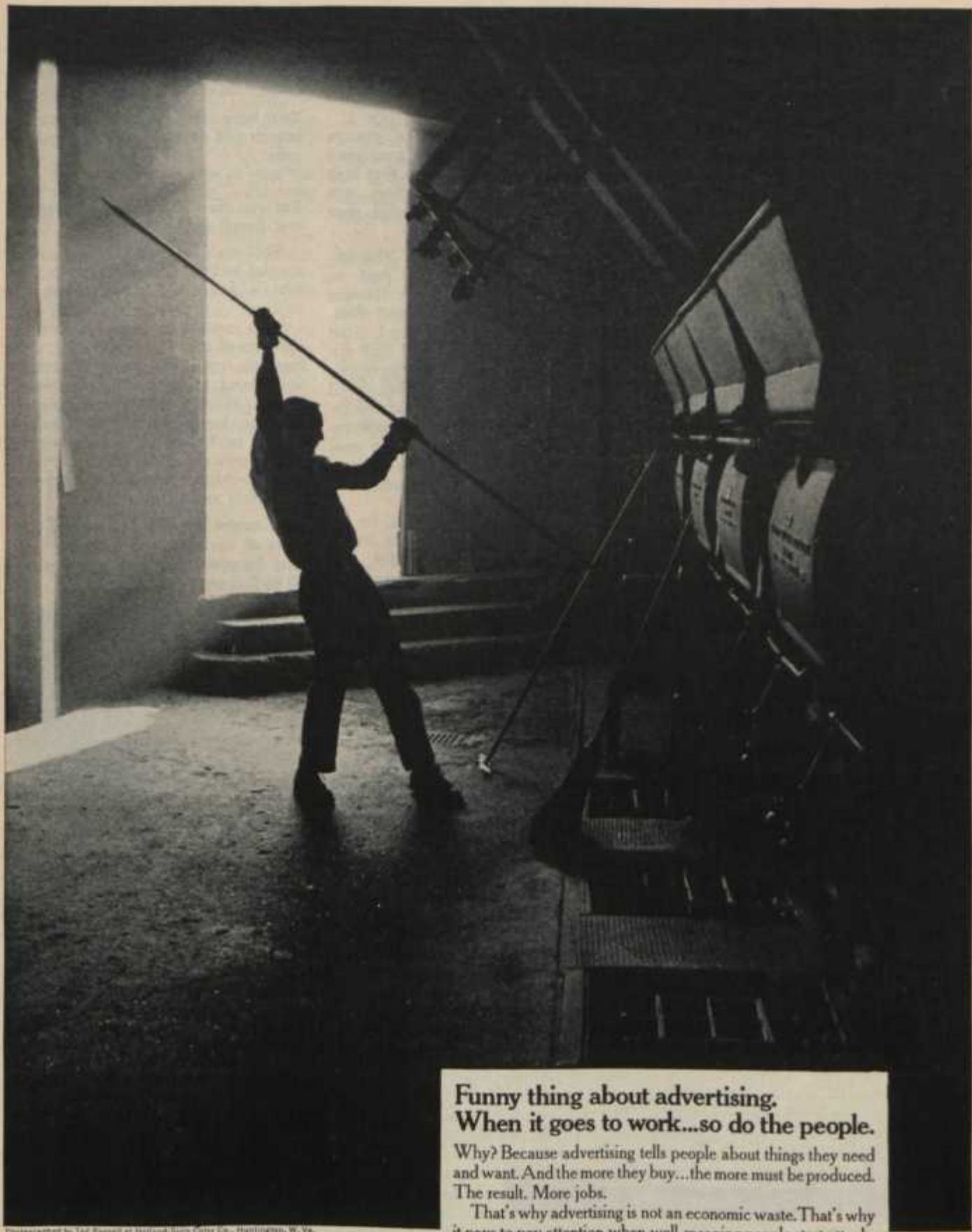
Considering my strong points, are there courses of study I can pursue that would help make me a specialist or even more expert in an area I naturally favor?

Finally, it's important to remember that the flexibility and adaptability of the individual is tremendous. Psychologists assert that the capacity to learn never stops.

These facts all favor whatever measures you devise for the improvement of your job performance in the present and future.—AUREN URIS

REPRINTS of "Make the Most of Your Weaknesses" may be obtained in quantities from one to 49 for 30 cents each, from 50 to 99 for 25 cents each, from 100 to 999 for 15 cents each, and 1,000 or more for 12 cents each from *Nation's Business*, 1615 H St. N.W., Washington, D. C. 20006. Please enclose remittance with order.





Photographed by Ted Russell at Rustland-Duys Color Co., Huntington, W. Va.

**Funny thing about advertising.
When it goes to work...so do the people.**

Why? Because advertising tells people about things they need and want. And the more they buy...the more must be produced. The result. More jobs.

That's why advertising is not an economic waste. That's why it pays to pay attention when well-meaning people start attacking advertising. They'll tell you advertising makes people want things they don't need. And they're right. Advertising builds dreams. But not idle ones. A new home, a new car, a trip. Maybe they're not lofty or awe-inspiring or earth-shaking. But they're one person's private dreams...and his alone. Put enough of them together and you'll know what made this country great.

Magazine Publishers Association.

An association of 365 leading U.S. magazines

interested in science. Give me the easiest one."

This little, old fiery woman said, "Give him geology." I didn't even know what the word meant. I found out later that the reason she did it is because they historically put the no-good guys in there. They failed and they got them out of school. So she gave me geology.

It turned out it was just the thing I wanted. It was the history of the earth from the beginning; it was most challenging. It stirred my imagination beyond all belief.

In the second year, I abandoned journalism and went into science, primarily geology. I was never cut out to be a journalist.

Your first job was as a geologist in Texas for Jersey Standard's Humble affiliate, wasn't it?

I was a scout in Wichita Falls and a geologist in San Antonio.

Weren't those the days when the wildcatters and companies were hitting the big fields?

Yes, and the sky was the limit. It was really wildcatting in its truest sense.

What was the biggest field you worked on in those early days?

The Panhandle of Texas. That was by far the biggest of all. It included several fields. I was in at the very inception, beginning with the real formation of the Panhandle field. Then, I went to San Antonio where I was in on the discovery of the Salt Flat Field and the Darst Creek Field. Those were very important flush fields. And then I was a supervisor at varying levels.

You moved steadily up the ladder in Jersey Standard and some say you would have ended in the top spot had you remained. Was there any one factor that decided you to go to Continental?

Probably the hardest thing I did in my life was leave Esso. I didn't want to, I had no desire to leave. But I had a choice: What Continental offered and what Jersey did or didn't offer. And I had to make a decision. I guess I made that decision 10 times.

I would say the thing that influenced me the most was the opportunity to do what I wanted to 10 to 20 years earlier. You can enjoy the thrills of success so much more at 45 than you can at 60, and I decided I'd rather get into this

thing earlier than later, even into a smaller area.

You were just moving to change Conoco from a regional to a national company when you took the first step in overseas exploration. Was this because you wanted to hedge your bets against foreign oil?

It wasn't any accident. The objective, the design, was just as clear as it could be to me. It was crystal-clear that although Continental was growing in the United States and expanding and had additional opportunities, it was equally true that oil was being discovered more rapidly over there and cheaper, too. You had to face an economic and political decision. The reason I went abroad was to have a balance so that if imports came in, I didn't care.

So I advised my board to go abroad. If we didn't, I told them, we would become an insular, oil-producing company in America and that wasn't my idea of what the stockholders wanted.

Throughout your career, I understand, you have reflected a philosophy of stressing the individual's responsibilities and initiative.

Yes.

Do you think these are the two most paramount points for a businessman or for any man?

I don't know what the two most paramount points are. I can give you what some are, but it's a little hard for me to grade what is number one, number two, number three and number four in anything.

You've got to find people with integrity. They have to be frank. Give me an aggressive person who is fair. You just must be fair.

You have to be flexible. If you have a plan and just blindly follow it, it's worse than no plan at all.

Why do you say this?

I told you why I went abroad. It's documented. But in addition to that, there is something I didn't tell you about. We resolved in going abroad that we would be solely producers of oil, because at that time our demand exceeded the supply. Why go into a foreign market? Let the other guys have it we decided. But a lot of people found there was not sufficient market to go around. We did, too. If you can't sell abroad, you have to go into refining and marketing. We had to change our original plans.

So to do something blindly is nuts; to have faith is not nuts. If you don't change with the conditions, you go down the stream.

You have put great stress on research and development in your business.

And exploration.

But you have always rated research and development highly?

Still do. I think it's just as essential as the vitamins in your diet, like a fire that keeps the kettle boiling.

You must put research and development into any enterprise. You have to have this research and development all through your organization, all through your whole enterprise, keeping it hot and boiling. There isn't any other way as far as I'm concerned. Without research and development in the oil business, it's going down to oblivion.

Continental is now an all-energy company of coal, oil, gas with their various by-products. Did you envision all of this at the beginning?

No. In the beginning, it was to be dominant oil and gas and transportation with it. Abroad, it was to be a producer. The integration was forced upon us by economics.

By mere development and research, we had a world of refinery off-gases being either vented or burned at a value far less than the real value should be; and we had a lot of know-how on the making of ammonia.

We could produce as cheaply as anyone else, so we joined another company to produce nitrogen, and became one of the leading marketers of agricultural ammonia.

We had increasing volume of natural gas available. So it, too, went into the other chemical fertilizers. We got into plant foods.

I guess we started our studies on coal eight or nine years ago. We looked at all the coal companies and only one or two or three measured up to what we wanted. We wanted oil, and gas abroad.

And nuclear energy will be the final one. I'm sure it fits in.

The chemicals were a by-product. Technical know-how put us in a leading position in detergents. Chemicals is one of our very profitable businesses all over the world and it is a by-product of our main operation: Oil and gas.

How do you find your key people? Are they developed from within—home-grown?

Well, most of them are home-

grown, but we better define the word.

I don't think we have a man at the top who hasn't been with us at least 15 years, so they are home-grown, but you have to qualify it. We didn't get them all out of college.

Do you have any special method you've found best for motivating people?

No, I don't think so. Give them the opportunities, and the credit. I don't know why, but everybody around me works too hard and maybe that's motivation.

I don't know what it is. They are not driven by words, but my executive group all works too much. I think that's a bit characteristic of business executives in the United States today. If anything, they

spend too many hours at work.

In another area, do you think a businessman should take more of an active role in local government affairs?

Some of them take enough; some of them don't take any.

I think, selfishly for the individual's benefit, as a coming executive or as an executive, that he should devote considerable time to the affairs of his local community, his city, his state, his business and his nation.

You have a debt there, as far as I am concerned, which you shouldn't sidestep.

If leaving Esso was the hardest decision you ever made, what was the one thing that has given you the most satisfaction?

Well, I think the thing that gives

you satisfaction is that the situation worked.

What problems face you now as an international company that you didn't face 20 years ago when you started out to become one?

It isn't any harder; it isn't any less hard, just different complexities.

We have these producing nations and we are in between; that's not unique. You have the effort to restrict production, to get the price up. Perfectly understandable. Don't like it, but perfectly understandable.

The producing nations don't like the fact that the using nations get the product as cheap as they do.

Some days I just try to keep my head above water; other days I'm swinging my head up fast. You

L.F. McCollum (left) greets his successor as chairman of the board of American Petroleum Institute, J. Ed Warren, of Cities Service Co. API President Frank Ikard looks on.



LESSONS OF LEADERSHIP *continued*

have to plan to get the job done under existing conditions, not short-range, but long-range.

Do you see major trends developing in the energy field?

Oh, yes. The development of energies from various sources, and I think I can say at a decreasing real cost. You know what I mean there: A real cost doesn't include taxes and inflation.

I might add, a little boldly, even with a modest amount of inflation, the demand for energy is so great that all forms of energy will come into play competitively.

You travel about 300,000 miles a year, I hear. This makes an airplane ride seem to be your only relaxation.

There's a lot of truth in that. You don't have to talk to anybody on a plane. You can relax for a couple of hours. You can study your homework. A couple of hours on a plane and you can do a tremendous amount of concentration.

Studying your homework is quite important?

It is. You can't do any real concentration in the office. You have to do it at home or under other conditions.

Are the opportunities as great in the oil business as in the old days?

Not for the multitude of individuals as it existed before. It takes more capital and greater organization. It's more of a production line operation than it was in the heyday of the wildcatter. It's organized, intelligent, economic gambling.

Can you name the point at which oil ceased to be the wildcatter's game?

Oh, yes, sure. Overproduction and conservation. Then it went

from the pure gamble into a reasonable gamble.

Do you think the future is as bright today for energy as it was 20 years ago?

Brighter. Brighter. All you have to do is take any chart. To fear a new form of industry like the nuclear industry is nuts, because if nuclear energy could be produced cheaply enough in any country, it helps the oil industry and all industries. When I say nuclear, I mean generating plants, nuclear power.

If you were starting over, would you do anything different?

I wouldn't do anything different, but I couldn't start up today and get as far as fast. But I wouldn't change any of my business activities.

The sun always shines on me. I have lived a charmed life and I am ever conscious of it. I have really had no disappointments, no sadness, no failures. We have had not one single sadness, disappointment or admitted failure. You can't match that anywhere. You better say a quiet little prayer. It's remarkable.

Are there any goals you haven't attained?

No, I don't think so. We are not in the nuclear field and I think we will be in this nuclear field in the future. But to push it further has not appeared wise. We are in nuclear research.

I turned over to Andy [Tarkington] the chief executive job, not because I wanted to, but it's the thing to do. I am not sick; I am not mad; I am not tired. But I don't think I'm an indispensable guy. I left, too, before they said, "Mac, you ought to move over and

let that young fellow take your place."

What I would like to do is sit here and have people say, "He's indispensable; let's listen to the old man talk."

But I have seen companies go down the drain because men stayed too long. The time comes when you have got to get out and let a driving new young one take over. I'm going to sit in the wings. My investors know if I am needed, I'm here. I'm commanded by my board to be available full time and I'll devote most of my time to this committee on finance policy and planning.

You paint a picture of yourself as a man who's had fun.

Nothing but fun. Great pleasure, great satisfaction. I am full of problems, but I don't have a worry in the world.

I started out with what I thought was a great imagination. I wanted to play the creative imaginative. I found myself fitting into science and mathematics, and I followed right through with the disciplines of math, chemistry, physics and geology. But I still had an abundance of imagination and I guess I have been lucky in combining the proper ingredients of imagination with discipline. A lot of people say I've got more imagination than discipline. That's why I am a builder not a caretaker.

Is the willingness to take a chance related to imagination?

They are one and the same. That's awfully important. You can't build without it. You have to have imagination to envision the possibilities of future change.

Imagination is building. A dreamer can be way ahead of his time. You have to have the man to make it work. The caretaker will never build anything; he is the guy who husbands what he has.

I think I have combined a reasonable amount, an adequate amount, of imagination and discipline. Because there is no excuse for failure, once you start something, you better make it work; and that requires discipline and lots of it.

END

REPRINTS of "Lessons of Leadership: Spurring Growth With Imagination" may be obtained from *Nation's Business*, 1615 H St. N. W., Washington, D. C., 20006. Price: 1 to 49 copies, 30 cents each; 50 to 99, 25 cents each; 100 to 999, 15 cents each; 1,000 or more, 12 cents each. Please enclose remittance.



Chairman George Love (left) of Consolidation Coal and Mr. McCollum before CONOCO added the huge coal company to its energy empire.

WHY PUMP-PRIME A GUSHING ECONOMY?

continued from page 52

al program planning and budget analysis, as well as plans for centralization of fiscal accounting and audit procedures at the state level."

Berkeley Springs, like Romney, is in the upper reaches of West Virginia's eastern panhandle. And like Romney, Berkeley Springs has been wooed by Washington. It has not entirely ignored these blandishments, but its conscience is sometimes pricked by a guilty feeling.

Burton English, executive vice president of the Citizens National Bank in Berkeley Springs, tells NATION'S BUSINESS what it's like when a community wants to help itself but can't resist the temptation to take federal money when it's offered.

"I think this business of depend-

ing on the federal government has been banged over our heads so much we're giving in," Mr. English says. "They keep pushing it at us. Sure, we know people should stand on their own feet, but the money is there and you figure that since others are getting it, why shouldn't you."

A catch in it

Berkeley Springs, too, found there are times it pays off to solve its own problems and not rely on Uncle Sam. It had that opportunity recently when it decided to build a new junior high school.

The federal government was eager to pitch in, but with strings attached. Mr. English explains:

"We looked at some of the condi-

tions and found that the government would insist on setting the wage rates. This meant we would have had to pay \$3.50 an hour for common labor. We can hire bricklayers for less."

Berkeley Springs said "Nix" to Washington, raised \$270,000 in a special assessment voted by its citizens and built the school on its own—at 15 to 20 per cent less than if it had accepted Washington's help.

Roger Williams of West Virginia's Department of Commerce can see the marked changes of recent years.

"The attitude of the people before 1960 was that they couldn't help themselves," he told NATION'S BUSINESS. "But something happened in West Virginia. There is a new tempo, a new drive. People are taking advantage of opportuni-



The people of Berkeley Springs, W. Va., were eager to accept Uncle Sam's offer to help them build a new school until they read the fine print. So they dug into their own pockets instead and shaved 20 per cent off original cost.

WHY PUMP-PRIME A GUSHING ECONOMY?

continued

ties now. They realize that if they help themselves they can get help from others."

Mr. Williams taught geology at the all-girl Cazenovia College near Syracuse, N. Y., for six years. Last year he resigned and decided to return home. Today, he runs the state Commerce Department's eight-county Appalachian Development Office in Martinsburg.

Mr. Williams doesn't have to go far to see what industry is doing for West Virginia. It's all around him in Martinsburg. Instead of a labor surplus, Martinsburg may soon be faced with a labor shortage.

General Motors Corp. has broken ground for a new Chevrolet automotive parts processing and distribution center three miles northwest of the city. When completed in the fall of 1968, it will provide employment for 1,200 persons.

Lockheed Aircraft Corp. is building a parts plant that will hire about 150 employees. The Corning Glass Works moved into Martinsburg in 1959 and will ultimately have several hundred workers on its payroll.

"Manufacturers tell us they get more out of West Virginians than from people practically any place else," Mr. Williams says. "They're the greatest commuters in the world. They'll drive 50 to 100 miles each day to work, but they're tied to the hollows. If we can get them a job in their own home town, they'll produce even more and they are proving that."

Paradoxically, West Virginia's coal industry, which contributed to the state's economic depression in the 'Fifties by laying off thousands of miners, has staged a major comeback and is actually faced with a manpower shortage. New coal mines with an annual production of 100 million tons a year are now being opened and much of it is in West Virginia.

The United Mine Workers estimate that between 10,000 and 15,000 additional workers will be needed in the state in the next few years. But the days of pick-and-shovel operations are gone, and most of these men will have to be trained to operate the new, automated equipment and keep it in shape.

Future looks bright

West Virginia hasn't entirely solved its unemployment woes, but industry has helped stage encouraging breakthroughs from one end of the state to the other. Progress

reports on 1966 activity show healthy improvements in construction, manufacturing, highways, power, retailing, transportation, agriculture, coal and many related areas.

Twenty-two of the 100 largest industrial corporations in the United States have installations in West Virginia. In 1966 some 75 plants expanded their operations with a combined capital expenditure of over \$326 million. This meant new jobs for more than 2,120 men and women. But that isn't all. Fifty-five new industries moved into the state and this represented an additional investment of some \$75 million and 4,800 new jobs.

Bank figures tell part of the story of the West Virginia industrial revolution. The State Banking Commissioner's annual report released last summer shows deposits soared from \$397,649,285 in 1946 to \$901,612,306 in 1966. And the most dramatic increase occurred between 1961 and 1966—up 50.3 per cent.

Perhaps nowhere in the entire state has the advent of a new industry wrought such changes as in the tiny, Ohio River hamlet of Ravenswood which seemed to have been passed up by the Twentieth Century. In 1953, this little community of 1,000 people was isolated from the mainstream of progress and prosperity. Here Kaiser Aluminum & Chemical Corp. decided to

open a plant. It plunked down \$200 million and gave jobs to 3,000 men and women.

But Kaiser didn't stop there. Impoverished Jackson County could scarcely meet its own needs let alone take on the problems resulting from the influx of hundreds of workers and their families. Kaiser built a \$750,000 school. It contributed \$50,000 toward a hospital. It helps support the Ravenswood Education Foundation and last year gave the foundation \$80,000.

The Kaiser Ravenswood works is a microcosm of what's happening all around West Virginia. Its achievements are studied by many companies, community planners and others. College students write theses about it.

Henry E. Cunningham, on leave from Kaiser, serves in a dollar-a-year capacity as executive director of the Jackson County Improvement Council. On his shoulders falls much of the job of coordinating dozens of projects—some financed by the company—required to help the county meet its mushrooming community needs.

Looking back over Kaiser's dozen years in Ravenswood, Cunningham says:

"We have had to create an entirely different environment to insure the success of this big undertaking. But our byword all along has been: 'You'd be surprised how much you can get done if you don't take the credit for it.'" **END**

WHERE THE WELFARE STATE RUNS WILD

continued from page 39

consider officially only hemispheric and international matters.

Nearly half live off handouts

Between 40 and 45 per cent of the 2.6 million people in this once affluent land are now dependent on the government for their total income. These include youthful "pensioners" who have no great problem getting themselves fired or declared redundant, thereby qualifying for large retirement benefits. The scope is vast for unemployment pay, family allowances, workers' compensation, pregnancy leave, paid vacations.

With it has come inflation. In one recent year inflation soared 90 per cent. In a year of more restraint, there is still 40 per cent inflation. That compares to the U. S. rate which currently is about three per cent.

At any given moment eight to

10 strikes are going on in a nation which until 15 years ago called itself "The Switzerland of Latin America" because its people were so industrious, busy and neat. Montevideo is now one of the world's filthiest cities outside the Orient. The people have so little pride left they litter their streets with paper and dump their nastiest garbage on the curb.

The University of Uruguay, with free tuition to all, once was one of Latin America's best. It is now becoming a communist outpost with officials, professors and students openly advocating Marxist policy and beliefs. There is a marked similarity between the views of overt communists and University Rector Oscar Julio Maggiolo. This man exerts his influence over 15,000 students.

Uruguay is probably nearing a point where it virtually could be

plucked at will by the Soviet Union as its branch office in South America. The USSR has not done so because Uruguay serves too well as a penetration point for agents and propagandists into Latin America. This is a time also when the U. S. and USSR are cooperating on some projects and not a suitable time to overturn a democratically elected Latin American government.

The right time may come later.

It is an ugly sight to walk down a littered Montevideo street these days, to ride out to the small towns of the interior and to see what has happened to the meat and wool industries which provide the country with its economic backbone.

Welfare-ism saps initiative

Talking with government people is deadening. It is then that you realize how enervating excessive government can be, how overloaded payrolls with two civil servants to do one man's job can suffocate the spirit and will of a people.

It is difficult to find a person in Uruguay who does not freely say that the country is going to pot, that welfare statism has been taken much too far, that government rosters are loaded with the lazy and the "cousins" of politicians.

It is also difficult to find a person who is willing to trim back on the government, if his own favored position is threatened.

However, businessmen in Uruguay foresaw 15 years ago that the country was spending itself to death and that Uruguay might some day choke over the welfare state.

Quietly the business community made its feelings known to government leaders. No one paid attention.

In elections Uruguayans vote 90 to 95 per cent for democratic parties and only five to 10 per cent for communist candidates. But they tell you just the same, "The communists do a good job running our unions. They get us more money every year—so let them run labor."

This apathy toward communism and welfare abuses has been such a blow to U. S. union representatives who visited and taught in Uruguay under the American Institute of Free Labor Development program that some even returned to the AFL-CIO in Washington less keen for big government and for increases in scope of U. S. welfare.

One group from Washington observed a strike against a strike. A group of striking Uruguayan department store workers struck against the strike because they did not feel their union was harsh enough in ar-



SOUTHERN HAS A NOSE FOR BUSINESS

There are a group of "regulars" among our 100,000 passengers a month—some are buyers, some are salesmen. They sometimes read on the morning flights and they often write orders on the afternoon flights. (Little do they know that our cargo also includes shipments from their competitors.) It's a matter of fact that we depend on businessmen and they depend on us. Southern Means Business! DC-9 FanJETS are on the way!

SOUTHERN AIRWAYS

WHERE THE WELFARE STATE RUNS WILD

continued

ranging the first dispute. It took several days to sort that one out and to get the strikers back on the first strike.

The old independent gaucho spirit still lives in a few places in Uruguay but not many. Last summer it was shown on a Montevideo dock by stevedores whose union still has not been infiltrated.

Communist hecklers were on the fringe of a crowd shouting insults and begging the stevedores not to listen to their union leaders. Without being observed by the agitators, winch operators swung loading nets filled with crates, boxes and bales out over their heads.

On a signal they dumped the lot smack on the communists.

Since then Red efforts to capture the stevedore unions have faded.

Many major industries are under heavy, far left pressure, if not control. They include the wool and textile, leatherwork and needlecraft industries.

Unions most heavily infiltrated are those operating in government industries.

Government-run industries inept

Uruguayans eat more meat than any other people in the world. But in their capital city of Montevideo, with over one million people, only a government-owned meat distribution system is allowed.

There are 8.5 million cattle in Uruguay, scores of meat-packing plants and slaughterhouses. Yet this government system cannot provide Montevideo with a regular supply of meat.

Beyond the outer fringes of the capital, literally across the road from the city limits, dozens of private butchers have set up "meat supermarkets." Shops are immaculate, supply seldom varies, choice of cuts is wide and the price is only a peso or so higher than in the irregularly supplied government shops.

Private shops are busy, money-making, customer-pleasing places. "Meatless days" are unheard of.

Once flourishing markets for Uruguayan meat in Britain and France have almost all been lost by government operations. The grade of government-packed Uruguayan canned beef is so poor that it sells badly in advanced countries.

Fine Uruguayan wool is among the best in the world, in a class with Scottish and Australian wool. The world market has not been healthy for some time, but the Uru-

guayan market has been sick for years. In 17 years the number of sheep in Uruguay's fields has dropped from 26 million to 22 million. During those years the wool-wearing population of the world increased by one fifth.

Besides controlling meat and wool production and supplying meat to Montevideo, the government also entirely operates:

Fishing; seal catching; alcohol production; life and accident insurance; the PTT—post office, telephone and telegraph; petroleum and kerosene industry; airlines; railroads; tug boats; gambling casinos; lotteries; theaters; most hospitals; television and radio channels; three official banks; the largest transit company.

The government also controls most of the production of other industries, notably the chemical industry.

A small, poorly equipped government fishing fleet, manned by sea-going civil servants, is loath to put to sea when the water is at all rough. Privately owned fishing fleets from other nations may be combing the ample schools off the coast; but Uruguayan government sailors and fishermen stay in port unless conditions are ideal.

Peru and other South American countries which traditionally have been held down by the "mañana" or "Tomorrow-I'll-do-the-work" attitude are moving to reduce holidays and increase production. Not Uruguay. Here bureaucrats and civil servants are consoled with 19 holidays a year—not counting weekends.

Inflation saps currency

Inflation affects money like laziness affects people. Both destroy.

In 1950 the Uruguayan peso, South America's most solid coin, was worth 50 cents. During a six-day period last February, the value of the peso slumped from 72 to the \$1 to 77.

Cost of living went up 88 per cent in 1965. During 1966 the increase was something like 40 to 50 per cent.

To keep pace the government has increased its spending, ground out more paper money and lavishly passed out huge pay raises—some as high as 60 per cent a year. Because a man needs two pay checks, usually one from a government agency and another from a private business, to keep his family eating and clothed, moonlighting has in-

creased among conscientious workers.

Even holding two jobs did not stop workers from losing headway in the fight against inflation.

Private businessmen were caught in the center of a swirling storm involving an actual drop in the gross national product; leaping costs of operations; payrolls which doubled every two or three years; unfair government protectionism; slumping quality; loss of world markets; irresponsibility in government fiscal matters; pressure to nationalize their firms; increasing communist influence; lower standards of young workers; rapid fall in industrial investment and steady increase in welfare costs. Even the usual busy tourist industry, which thrived on Brazilians and Argentines, is slumping.

It's a wonder that there are private Uruguayan businessmen.

It is no wonder that U. S. diplomats, American businessmen, tourists and students visiting Uruguay invariably ask after only a few days:

"Is this what happens when you go too far with the welfare state?"

"Is the United States heading this way?"

Uruguayans and North Americans who have known this country since the period between the World War II and the Korean War, when it was a booming center of private enterprise, say they have watched parallel slumps in public morals and morale.

Smuggling has always been a way of life in South America, even here in the more lucrative southern "cone" area occupied by Argentina, Chile, Paraguay and Uruguay.

Recently there have been increases in smuggling of American cigarettes, Scotch whisky, perfumes, expensive razor blades and scores of other luxury items. It is generally accepted that shortchanging and misrepresentation are increasing in almost direct proportion to the development of a political and economic system which does not require its citizens to produce an honest day's work.

One fiscal expert diagnoses Uruguay's troubles as "English sickness" which, he says, means trying to get as much as possible out of the community while contributing as little as possible towards it.

He says simply that Uruguay extravagantly emphasizes consumption rather than production.

"It has now become here in our country a case of asking 'What are the rights of a citizen?' rather than 'What are the duties of a citi-

Now Pitney-Bowes can even copy your mail.

First we invented a way to put postage on your mail. Then we came up with a device that seals your mail. We made an Addresser-Printer that addresses your mail, and scales that weigh your mail. And now we can even *copy* your mail.

Because Pitney-Bowes knows the problem of mailing and paper work, and the problems of any office, large or small, we decided to make our own copier. The way we felt a copier should be made. Our 250 copier is a desk model. It uses the electrostatic system, dry copies from all colors and holds an image for good. It makes 8 copies a minute and you get your first morning copy in seconds with no warmup. Because it

uses the roll feed system, you use only as much paper as you need. And you don't have the mess of wet, or peel-apart copies. It even copies from opaque as well as two-sided originals.

To operate, just put the original in, and out comes your copy. And behind every copier is a team of over 3,000 Pitney-Bowes representatives waiting to serve you, from any one of our 385 locations.

You can own one of our copiers for \$745. Or you can lease or rent one just as economically. To use in your ground floor office. Or on each of your fifteen floors.



Pitney-Bowes For information, contact Pitney-Bowes Inc., 1377 Crosby St., Stamford, Conn. 06904. Postage Meters, Addresser-Printers, Folders, Inserters, Counters & Imprinters, Scales, Mailopeners, Copiers, Collators.



Unload and lower in pipe with Ford 5500 loader crane attachment.



Speed backfilling with 1½ cubic yard tread-width bucket and torque converter with power-reversing, six-speed transmission.



Load, dig, transport without ever leaving comfortable padded swivel seat.



Meet the new Mr. Big— built for bigger diggers

You designed it. We built it. Rugged new Ford 5500 integral backhoe/loader: big-capacity excavating/loading/backfilling at a modest investment. ■ You told us you wanted more job time, less downtime. 2¼-ton unit frame of welded high-strength steel carries loader/backhoe. Isolates power train from digging, dozing, loading stresses. Front axle load capacity: a durable 12,000 lbs. ■ You told us you wanted power and capacity. Backhoe digs 17½ ft. Brawny lift and crowd cylinders—in-line mounted on deep-section, arched boom of high-strength steel—develop 12,000 lbs of digging force, to handle shale, caliche, clay. Self-leveling loader lifts 4,500 lbs to 11½ ft. Breakout force: 8,000 lbs. ■ You said you wanted mobility and versatility. Ford 5500 works in tight spots, transports quickly from location to location. And, you can dig your trench, install pipe or tile, then backfill or load at a profit-earning pace! ■ Make every working hour earn more profits for you with this new heavy-duty rig from Ford! See exciting new Ford 5500 integral backhoe/loader, now at your Ford industrial equipment dealer's. Ford Tractor Division, 2500 East Maple Road, Birmingham, Mich. 48012.

**YOU DON'T HAVE TO BE
A BUSINESS GIANT TO USE
OUR BUSINESS PLANNING
DEPARTMENT.**

**ALL YOU NEED
IS A LITTLE
CONCERN.**



One of the most serious threats to any firm is death of an owner or key man. So if you have a going business — any size — you ought to know about our Business Planning Department. It's designed to help you keep your business yours — whether it's a close corporation, partnership, or all your own.

How does it work? Very simple.

A team of our life insurance specialists analyzes your business, shows you where you stand, and recommends the protection you need.

Of course, what you do about these recommendations is up to you. It's a matter between you, your attorney and your Aetna representative.

Behind this professional service is a thorough understanding of the businessman's problems. After all, more U. S. businesses have group life and group annuity plans with Aetna than with any other company. And over half a million firms rely on us for their casualty and property protection, too.

So with Aetna's Business Planning Department, it's not your size that counts. It's your concern for your business. The service is free. Why not try it?

Aetna
LIFE & CASUALTY

WHERE THE WELFARE STATE RUNS WILD

continued

zen?" a Uruguayan businessman comments.

Something for nothing philosophy

"I love my country," says a salesgirl in a Victoria Plaza shop, "but the people here have too much freedom, too little to sacrifice for. We are getting soft. The young people have it too easy because they know they don't have to work hard for very long before the government will take care of them. The foolish kids think they have everything. They have nothing."

An attitude called "viveza criolla" spreads across Uruguay.

The iron rule of viveza criolla is "Do the other fellow in before he can do you." Its practitioners are the "sharpies." Here they are accepted. A man is looked down on if he doesn't do the necessary cheating to get his share and some extras.

So has the attitude of the people and their government deteriorated.

In recent months Uruguay failed to meet on time some of its notes payable to U. S. and European financial concerns. In one year the country fell behind in paying bills submitted by foreign exporters. Private Uruguayan importers—who had put up exchange for the government to pay the debts—had to dig down a second time to get the money to clear the accounts. If they had not, American and European suppliers would have sent them no more goods.

During 1967 heavy, short-term debts are coming due and the ability to meet them may depend on the fickle, depressed, world wool market. Uruguayan wool people sit on as much as one third of wool supplies. Meanwhile, they wait to see which way the government is going, what the communists will do, how the world wool market will act and whether inflation will continue to gallop to the stars.

Government economists deny that sitting on the wool can cause an economic crisis, but it can.

After failing to meet some notes payable on time, the Uruguayan government reportedly had to ship \$20 million gold bullion secretly to New York as collateral before foreign trade could continue. The gold is still in New York although it remains the property of Uruguay.

And only 15 years ago Uruguay was a haven of solid money, for investments and foreign bank accounts.

There are few bright spots in Uru-

guay's political or economic situation. But one may be a stiffening attitude of the government against domestic communists and the Soviet diplomats who tried to pervert all of southern South America.

Four Russian "diplomats" were recently expelled and Soviet Ambassador Igor K. Kolosovsky, Communist Party leader Rodney Arismendi and their activists were told to hold down on their propagandizing, infiltrating, corrupting activities. The government was furious when the Soviet Union signed Fidel Castro's "Tri-Continental Declaration" last year in Havana which called for knocking over democratically elected—as in the case of Uruguay—governments in the Americas.

Last autumn government officials wondered aloud why the Soviet Union needs a 100-man embassy in Uruguay.

Democratic Uruguayans of the Blanco and Colorado political parties are growing somewhat worried that the legal Communist Party has 20,000 regular members, at least 11,000 youth organization members and great influence over an additional 100,000 to 200,000 citizens. Another point troubling the government is that the communists can elect one Senator and two Deputies to the National Assembly.

Chance for a change?

Because of these indications of stiffening resistance to communism, some optimists say a showdown is coming in the next five years between the communists and Uruguay's new government under Oscar D. Gestido—if the communists don't pull down the country beforehand.

President Gestido, now 65 and in the first few days of his five-year term of office, is a Colorado Party regular who retired from the Air Force as a general 15 years ago.

Uruguay has been for decades a fiercely democratic, free speech, free press state which held its army in little regard. Rifles don't make the regime here. Military juntas have not ruled Uruguay in many years. So President Gestido is no junta general.

He may not be tough enough either to stand the influence from the East or to trim back on welfare pay-outs.

But he is accepted as a stout anti-communist, a good administrator who ran the national railroads fairly efficiently, who is personally honest. He may well know what Uru-

guay needs to do before it can drive on as a viable nation again.

The questions are:

Will he bring himself to do the necessary?

If he can make himself take action, can he carry his lieutenants along with him?

Does he have enough imagination?

It is some consolation that President Gestido's early Cabinet appointments appeared to be good ones. These gave rise to optimism in Washington, Rio de Janeiro and Buenos Aires that Uruguay may be turning a corner.

Until President Gestido took over, Uruguay had been ruled for 15 years by a nine-member council in a collegiate system of government. It was idealistic, unworkable and rather silly from the start. It quickly fragmented, making the government a coalition of seven different groups. Every year a different member of the council took over as president, or council chief.

The collegiate system was a Tammany Hall patronage type of group. Instead of each party watching the opposition, all took care of their friends and got their cousins government sinecures.

The western world has rarely seen such patronage, nepotism, favoritism. The divvying up created an incubator for handouts, overloaded government payrolls, idle civil servants, excessive welfare payments, political payoffs, inefficient government.

President Gestido now heads a single, executive type parliamentary government. So he and the new national constitution which was overwhelmingly approved by the voters last autumn (despite communists' opposition and strikes) carry the hopes of Uruguay.

Only time and the temper of the admittedly facile Uruguayans will tell if this once pleasant land can stiffen its backbone and get its house in order.

In the meantime, the attitude of a Montevidean office worker prevails. Instead of planting his heels and trying for something more manly than a government handout, he says:

"It is all the fault of you Americans, you know. You kept giving us money and we, as good Latins, took it. Now you and the International Monetary Fund and other agencies are here telling us what to do with the money. You're putting strings on it. You should have done that at the start, you know. It is all your fault."

END



The employees who got a second chance

A job-bound prisoner is checked out by a guard (top), takes his lunch bag with him (below) for full day's work at a gasoline station before returning at night to the federal reformatory in Petersburg, Va. Hundreds of men over the nation benefit from business cooperation with new rehabilitation plan.

PHOTO: DECLAN RAUS—BLACK STAR



Businessmen are giving jobs to prisoners who pay board and taxes while serving out sentences

When day's work is done at the Milan Screw Products company in Michigan, there's a scramble by the men to go home.

"The old lady'll skin me alive if I'm late tonight," one jokes.

Being late is no joke to three of the workmen. They must report to the nearby Federal Reformatory by a given time and unexcused tardiness could cost them a precious privilege: An opportunity to work unsupervised in the "outside world."

"It's the difference between my family being on public welfare," says Bobby X, 22, of his job as an automobile mechanic at the Ford dealership in Petersburg, Va., under the new federal prison work-

release program. It's the difference, too, in a growing acceptance by the public of newer methods of criminal rehabilitation.

"Frankly," says L. J. Gengler, director of the work-release program for the Federal Bureau of Prisons, "the enthusiasm of the business community to participate has been overwhelming."

"I think it is one of the greatest things that's ever happened," offers John Mirageas, owner of an engineering blueprint plant in Ann Arbor, Mich.

In varying words, the same thing is said by countless employers, who weighed natural apprehensions—the possible effect on other workers and

on customer relations—against a greater awareness of a social responsibility.

Over the nation—every day and night—thousands of men and women leave federal, state, county and city jails to go to work in factories, foundries, stores. The money they make goes to support their families, build nest eggs for the day when they are released from custody and even make restitution to victims.

In the first 14 months the program was in operation in the federal prison system, 2,000 inmates earned \$2,096,000.

They paid federal, state, local and social security taxes amounting to \$303,000; reimbursed the pris-

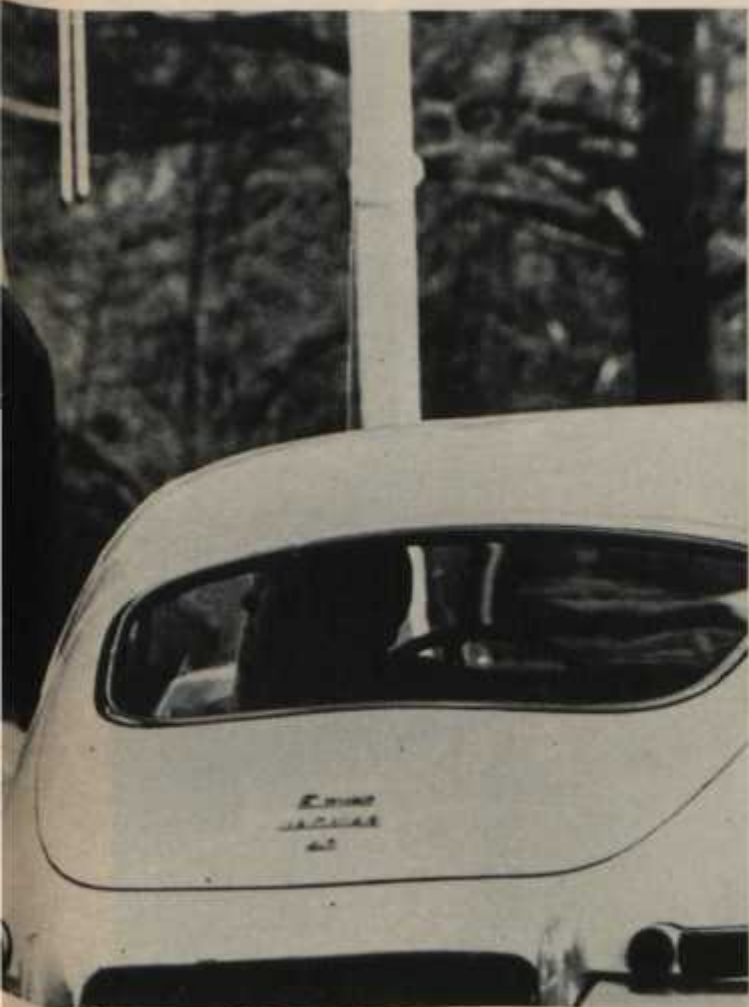


PHOTO: DENVER BLACK-ELITE STAR



EMPLOYEES GOT A SECOND CHANCE *continued*

on system \$203,000 for upkeep; sent home \$372,000 to families; spent \$575,000 within various local communities on such items as civilian clothes in which they work, transportation and lunches, and saved \$700,000 to help get a new start.

If a man has a family, the money he earns and can send home frequently means that it can be removed from welfare rolls.

"We have a long list waiting to get into the program," Mr. Gengler explains. "But the man who needs to get his family off relief is going to get top consideration if he meets the other qualifications.

"This is just another reason why programs of this type are important to the taxpayer.

"But you must remember the

most important thing is it offers real hope these men will learn work habits and attitudes that will help them make it in society and stay out of trouble—and out of prison."

The work-release programs are just one of the many accelerated changes taking place in the nation's correctional institutions.

New attitude toward prisons

"There's been a growing awareness on the part of the public that correctional institutions should rehabilitate, not just incarcerate," says Warden Paul P. Sartwell of the Milan Federal Reformatory.

"Let's face it. Just keeping a man behind walls, cut off entirely from society is not the answer. And keeping the institutions a mystery

from the public is no way to do it, either. The public is paying for this." Gil Ziegler, the general manager of Milan Screw Products agrees.

"It's doubtful if you'd have found this wide acceptance 10 years ago," he says. "Partly it's because of economic conditions. Sure a certain type of labor is hard to find. But I think people have begun to realize you've got to do just more than dump a man back on the street after he's been locked up for years."

Freddy B is an example.

"I'm just kind of scared of people," he told his boss, Charles R. Ayers, when he reported that first day at the Universal Car Wash in Ann Arbor.

"Now," says Mr. Ayres, "he's out there talking to people a mile a minute."

All of the inmates participating

Ford Dealer H. Carter Myers, Jr. finds there's no ill feeling among other employees who work with convicts.



in the federal prison system work-release programs are volunteers, as are those in the various city, county, and state programs. They are all in minimum custody status and for whom jobs fill a need.

"There's got to be a need for these men," declares Warden Dave Heritage of the Petersburg Federal Reformatory. "A financial need on the part of their families or a rehabilitation need on the part of the men. It's got to mean something."

"It sure does mean something," says Tommy T, serving a "zip 60" (inmate slang for an indeterminate sentence of 60 days to six years—with an average time served of 18 to 24 months).

"You build a year of good time and you figure maybe you can make it. But when you come out and work and have to cut the mustard just like anybody else, it proves you can."

"I'm a parole violator," says Bobby X. "I figure I'll make it this time, though. I've learned you can't sass the boss and keep a job."

Federal prison authorities are frank to admit work-release is no panacea.

"Sure," says Warden Sartwell, "we've had our failures. We've had men who just couldn't resist the temptation to drink a beer at lunch. Or cuss the boss. Or knock off an hour early and go downtown and stand on the corner. But that percentage is small."

Hope to convicts

"Man, you know you better cut it," exclaims Billy Z, 21, doing a second stretch for stealing cars. "You goof up and the guys back in the cell blocks raise hell. This is hope to them. Everybody wants a shot at work-release."

The federal prison population has shown a steady decline in the last few years and now hovers around the 20,000 mark. Most of the prisoners are young, 18 to 23. More than 50 per cent of all inmates are serving time for violating the Dyer Act, transporting a stolen car across state lines.

"Most of the men we deal with are unskilled or semiskilled," says J. L. Burns, the Work-Release Coordinator for the Petersburg Reformatory program at its start.

"They learn a basic skill in one of the vocational training programs within the institution. But it's when they get out and actually work they really learn what they need to know."

"I figure I'm just now beginning



10 reasons why you should buy a dixisteel building

There are many more reasons, of course, but these alone make the big difference in Dixisteel buildings.

- ✓ Exclusive DixiRib panels, with drain groove, fit snugly, eliminate unsightly stitch screws
- ✓ More steel per foot, closer purlin and girt spacing provides sturdier walls, eliminates insulation sag.
- ✓ Quality erection by experienced crews to assure handsome appearance and pride of ownership.
- ✓ Backed by a 65-year-old basic steel producer, Atlantic Steel Company.
- ✓ Exclusive Perma-Color panels in a choice of nine beautiful, factory-applied long-lasting colors
- ✓ Sold and serviced only by financially sound, reputable dealers specializing in steel buildings
- ✓ More than 3000 basic designs to choose from, easily modified to give your building a custom look
- ✓ Only the finest quality, pre-tested accessories, purchased from reputable suppliers, are used
- ✓ Certified by registered engineers, pre-engineered and constructed to meet building codes anywhere
- ✓ Complete satisfaction, with full knowledge that you have bought the finest steel building money can buy

Join the thousands of satisfied Dixisteel building owners. See the dealer nearest you.

TWO PLANTS TO SERVE YOU: TALLAPOOSA, GA. - HANNIBAL, MO.



ATLANTA, GEORGIA

A subsidiary of
Atlantic Steel Company

CONSULT THE YELLOW PAGES — OR MAIL THIS COUPON

Dixisteel Buildings, Inc. 310
P. O. Box 1714, Atlanta, Ga. 30301

- ☐ Please send me complete information on Dixisteel Buildings
- ☐ I am interested in a dealer franchise

Name _____

Address _____

City _____ State _____ Zip _____

SOME DEALER FRANCHISES STILL OPEN



PETE PROGRESS

Speaking for the local chamber of commerce in your community

Some say there's no such thing as the indispensable man. But what about the man:

Who is loaded with work, yet serves his community with the ability only a busy man seems to have.

Who learns of the opportunity for his city to gain a new industry then calls in to offer his assistance personally and financially.

Who pops up among the initiators in every new endeavor that is worthwhile for his town.

Who can shake the hand of labor or business and get a warm clasp in return.

Who doesn't hesitate to get on his feet and speak out for or against anything at any time.

Who belongs to a service club and participates in his Chamber of Commerce or business affiliation.

Who passes out compliments when the job has been well done, but is just as quick to extend constructive criticism on how a job might be better done.

This man can be found in your home town. Be it large or small, he's there. He's the man who makes it go.

If you know this man, you'll agree we can't do without him. He's indispensable.



THE EMPLOYEES GOT A SECOND CHANCE

continued

to earn the boss a profit," volunteers Tommy T, working at the Andrews-Joyner Iron Works in Petersburg.

Work-release programs date back to 1913, when Wisconsin passed such a law. In 1957, North Carolina put one into effect and made those convicted of felonies eligible for participation.

But it has been only in the last few years that more and more states have adopted the idea. More important, acceptance by the public and business community is mushrooming.

"There's a little bit of conscience involved, I think," Mr. Mirageas ventured in explaining why he thought business is generally wholeheartedly backing the program.

"A lot of guys at first thought it was going to be a good way to get some cheap labor.

"I think I went to Warden Sartwell's meeting to explain work-release just out of curiosity. I'd never seen a prison. But what he said made sense to me: Give these men a chance to slide back into society, learn what work habits and attitudes mean and maybe you won't have this revolving door—out today and back tomorrow.

"Sure, I had some apprehensions. I don't now. I'm sold on it."

His attitude reflects that of scores of businessmen who talked to NATION'S BUSINESS about their hiring work-releasees.

What businessmen say

Under the law, employers must pay these men the same scale as any other employee hired for the same job. No program is started without consultation with business, community, religious and union leaders of the area.

Pay ranges as high as \$5.75 an hour for skilled workers such as an electrician, but the average is about \$1.50 to \$2.20 an hour.

Businessmen in the community and area are generally invited to a meeting at the institution, showed its shop training facilities and told exactly what the work-release program is intended to do.

"I think one of the reasons this program is working out well is that there's a basis of mutual need," Mr. Mirageas declares.

"We have a need and these men have a need," says George Bass, shop foreman at the Petersburg Mo-

tor Co., Inc. "We expect them to do us a job, just like any employee."

The types of jobs involved range the spectrum of business: From white collar to heavy labor.

"We've never seen any resentment by our employees to hiring these men," declares H. Carter Myers, Jr., president of the Petersburg Motor Co.

"We leave it up to the man whether he wants to tell the guy in the next stall he is serving time. Most of them do. In a way, it just makes the other guys feel kind of protective about them."

An over paternalistic feeling is a natural danger, admits Oscar Olive, work-release coordinator at Milan. "We don't want them treated any special way. Most of the employers don't. But every now and then you run into one who can't see a darn thing wrong with him letting a guy off to do a little shopping."

One of the reasons for the success of the programs, most employers believe, is that the system is geared to their needs. Prisoners can work any shift—day or night, Saturday or Sunday, as long as transportation can be worked out. And the rules are flexible.

"If I need to keep a guy overtime, I can call up and tell the prison and they'll let me do it. All I have to do is promise I'll bring him home if he can't get a bus."

"We think we have to meet the employers' need, not the employer fit his needs to our schedules," Warden Sartwell says.

College courses, too

This flexibility extends into other vocational and educational programs run for the inmates. If man is working in the daytime, but wants to go to school at night, it is arranged.

At Milan, several prisoners are enrolled at Eastern Michigan University in Ypsilanti in full-time, academic courses.

"College will be better rehabilitation for these men than anything else," Warden Sartwell says. "Their parents pay the tuition; they must satisfy the college admission boards of their real desires and they must stick to the rules we lay down."

These rules, though, are tinged with understanding.

"Can I miss the 5:45 bus today," one study-release inmate telephoned breathlessly. "I've got an exam tomorrow and I need to study in the library until the 7:45."

He got an okay.

Some strongly criticize work-release, along with other rehabilitation programs such as unsupervised

furloughs and minimal custody "half-way houses," contending this is coddling criminals.

"These men know they are in a correctional institution, make no mistake about that," Warden Sartwell emphasizes.

"We go on the theory that rehabilitation begins the moment a man walks through the front door. But the man has to earn through his conduct and attitudes the right to go into honor unit cell blocks and the work- or study-release programs."

"When they knock off at the end of the day and go back to the cell block at night, when they look at the walls or the fence and the bars, they know this is no boarding school."

"Some men you are just not going to be able to help. We know that. We know that some of the men

U. S. business leaders tell how they view the economy for the coming months in Nation's Business' latest quarterly Business Outlook Survey. See page 42.

think they're conning us about their willingness to work. They're not."

"Yeah, man, you know you ain't in any boarding school," says Bobby X. "It seeps in your bones."

Most work-release inmates are housed together in special areas. Some are open, barrack-style dormitories. Others are arranged in tiny, single cubicles.

"Privacy is a tremendous incentive for an inmate," Mr. Olive believes.

Not all businessmen are keen about the work-release program.

"I think personnel managers are split on it, about 50-50," says Har-

lan Roos, personnel director of the Edwards Co., book lithographers in Ann Arbor.

His firm has an inmate working and probably will use more.

"If we need him and he's qualified, those are the only criteria," Mr. Roos says.

Placement of parolees is a major problem for many state prisons. The work-release program offers a potential easing of it. Several hundred inmates have remained on their jobs after they have finished their sentences or are released on parole.

"I'd like to keep the man I have now," declares W. W. Williams, owner of the Andrews-Joyner Iron Works. "He's a fine boy and a good worker. But I don't know if I can."

The Bureau of Prisons is acutely aware that it can not allow any community—especially the smaller ones—to become a "haven" by allowing too many inmates to be paroled to work in it. And it is careful to avoid this.

But a good many instances are on record where a former work-release employee has gone to another area, completed his probation period and then returned to his old job.

Few flunk program

The federal prison work-release program was authorized by the Prisoner Rehabilitation Act of 1965, an act pushed by Sen. Edward Long, D-Mo.

On its first anniversary, President Lyndon B. Johnson saluted the results, noting 95 per cent of the prisoners who participated in the program successfully completed it or were still working at it.

Normally, a man is on work-release for about six months. This is usually in the period before he is eligible for parole.

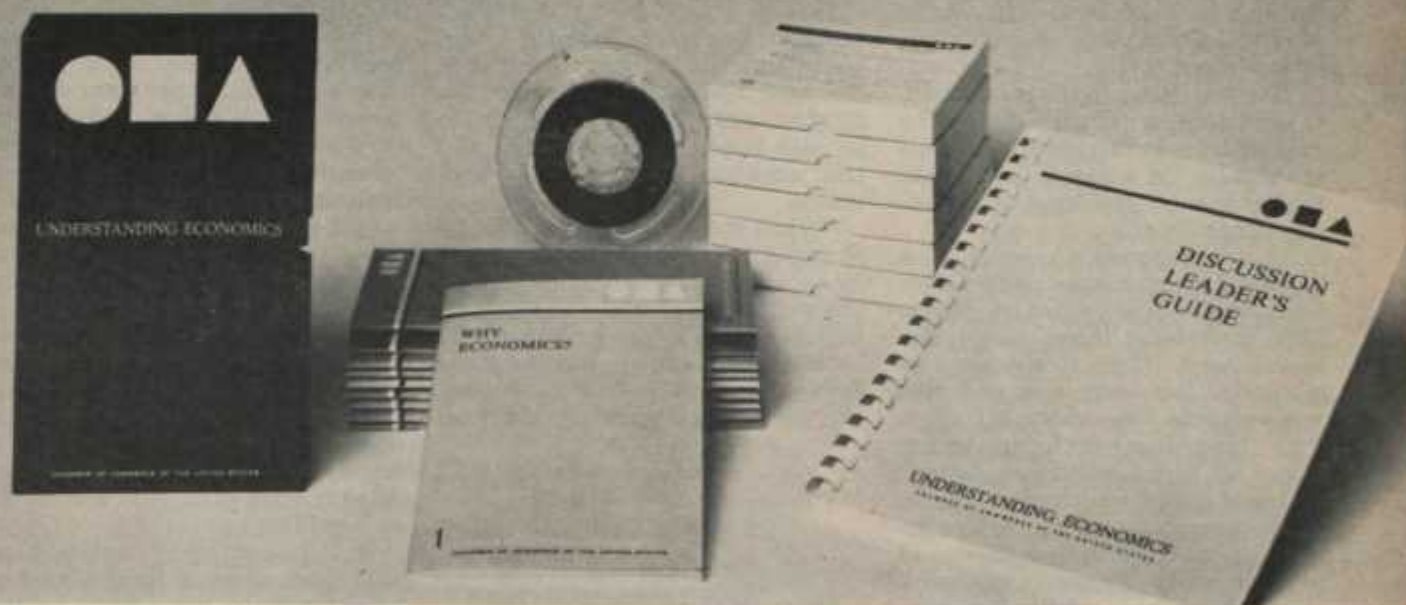
"You need this cushion," an inmate serving time for post office burglary stoutly maintains. "It gives you time to get your brains unscrambled."

Prison officials at all levels concede the newer rehabilitation programs aren't going to solve all of the problems of crime.

"But it's a long, long way from the old Jimmy Cagney-Humphrey Bogart movie images of the Big House," says Mr. Gengler.

And Joseph F. Marsh, welding instructor at Petersburg, got a note from a former work-release inmate telling about a new job he got after his parole, adding: "You know, this is the first time in my life I've ever been able to put my hands on a couple of hundred HONEST dollars." **END**

"PEOPLE WANT TO KNOW



Business executives, organization managers—and, no exaggeration—educators have told us:

"People in this country want to know more about basic economics."

"People want to know more about the American system, and how it works."

We agree.

This is the reason back of the National Chamber's NEW 10-week "UNDERSTANDING ECONOMICS" DISCUSSION COURSE.

This Discussion Course is for the person who wants to be on sure ground so far as his knowledge of basic economics is concerned.

It is for the person who wants to develop his leadership ability, and who wants to become a more articulate and more convincing spokesman for the enterprise economy.

The "Understanding Economics" Discussion Course is specific, comprehensive, streamlined and interesting.

The National Chamber helps and encourages business firms, local chambers of commerce, trade associations and other groups to set up and conduct the Discus-

sion Course, using materials which the Chamber makes available. The materials consist of:

- A set of 10 clearly written booklets on "Understanding Economics." Each booklet deals with one important area of the free-market economy, and forms the basis for the discussion at one of the sessions.
- A Discussion Leader's Guide, practical tips on how to organize a discussion group, and how to keep the discussions lively and constructive.
- An Eco-Tape Set, 10 tape-recorded interviews, each with a national authority in his own field, who discusses applied economics pertinent to the subject under discussion.

This is the time for hundreds, thousands, of these "Understanding Economics" Discussion Groups to be formed in cities and towns throughout the country. Think of the difference it will make.

Why not set up a Discussion Group in your community. Use the order form to order the work materials. If you should find any reason for wanting your money back, your money will be refunded.

MORE ABOUT ECONOMICS"

THE NATIONAL CHAMBER'S 10 BOOKLETS ON "UNDERSTANDING ECONOMICS"

Here is a quick outline of the contents of the National Chamber's 10 booklets on "Understanding Economics":

I. "Why Economics?"—This booklet shows clearly what economics is all about. It explains why every nation, every human society, needs an economic system of some sort. It explains how the free-market economic system operates, and shows the real advantages of the free-market economy.

II. "Why Prices?"—This booklet shows why prices of goods and services affect supply, as well as demand—and why demand, in turn, affects prices. It shows how, in a competitive market, balance is achieved between supply and demand. It shows why decentralized decision-making is orderly and efficient.

III. "Productive Resources"—Labor, land, capital and management constitute our productive resources. Wages, rents, interest and profits constitute the income of society, the national income. This booklet shows how and why the competitive market guides our productive resources into their highest-paying uses.

IV. "Money and Finance"—This booklet explains, in nontechnical terms, the meaning and use of money in a competitive market. It shows how banking operations expand or contract the money supply, how the Federal Reserve System eases or tightens credit, and how these changes affect business.

V. "National Income"—This booklet shows how the overall results of market action—total production, income, consumption—can be summed up and analyzed by economic accounting methods. It shows how progress can be measured statistically, and how we can determine the direction in which the economy is moving.

VI. "Business Ups and Downs"—This booklet answers questions such as these: What causes fluctuations in business? How can a sharp change in business be predicted? How can employment be stabilized, and made to move steadily upward? How can runaway business booms and disrupting recessions be prevented?

VII. "Government and the Economy"—Nearly one out of every three dollars spent in America today is spent by the government—national, state and local. One out of every seven employed persons is on a government payroll. What should the role of government be in the economic life of the nation?

VIII. "International Economics"—Our economy is related to the economies of other countries. What are the benefits of world trade? What does balance of payments mean? What problems stem from international monetary and trade policies? This booklet answers these and other questions.

IX. "Science, Technology and the Economy"—Scientific and technological advance brings accelerating change in the economy, creates new problems. Men who seek economic progress must be responsible for building social institutions to widen opportunities for human enterprise—and to protect freedom.

X. "The Power of Choice"—This booklet presents the ideas and values which undergird our American way of life. It suggests that the constitutional principles evolved by a democratic government interact with the principles of a voluntary economy to enlarge human power to choose and to act.

CHAMBER OF COMMERCE OF THE UNITED STATES WASHINGTON, D.C. 20006

ORDER FORM

1967

Please send me:

_____ set(s) of 10 UNDERSTANDING ECONOMICS BOOKLETS (No. 0989)
(1-9 sets, \$6 a set; 10-99 sets, \$4.80 a set).....\$ _____

_____ copy (copies) of DISCUSSION LEADER'S GUIDE for
Understanding Economics Course (No. 1018) at \$1 each.....\$ _____

_____ set(s) of ECO-TAPE (No. 1022) at \$15 a set.....\$ _____

TOTAL amount of order.....\$ _____

() Check is enclosed

() Bill me later

NAME _____ TITLE _____

FIRM OR ORGANIZATION _____

STREET ADDRESS _____

CITY, STATE & ZIP CODE _____

Please make check payable to Chamber of Commerce of the United States



Roger P. Sonnabend, *Hotel Corp. of America* president, thinks the surtax and easier money will restore needed balance to the economy.

HOW TO KEEP THE BLOOM ON THE BOOM *continued from page 44*

- Will Congress make meaningful cuts in the record-high budget?
- Will we have a combination of inflation and recession?
- How can business pay what unions keep wanting?

Businessmen were asked: "Do you expect the six per cent surtax proposed by President Johnson will be enacted into law?"

Slightly more than half answered Yes. More than 40 per cent said No, and about five per cent offered no opinion.

When the President asked Congress to reinstate the tax credit, he said he still planned to seek the six per cent surtax on incomes.

"Can you suggest a better alternative?" they were asked.

H. Stephen Chase, chairman of San Francisco-based Wells Fargo Bank, responds: "The natural al-

ternative, and even the first step that should be taken, would be to reduce government spending."

A majority of business leaders responding share this view.

"Cut federal spending. Then, if combined with reinstatement of the seven per cent investment tax credit, a five per cent surtax might be acceptable," recommends William H. Chisholm, president of Oxford Paper Co.

Mr. Chisholm doesn't think the surtax, as proposed, will be enacted.

Surtax poses threat

The business executives were asked also about the effect of the proposed surtax if enacted.

It would have a bad effect, says E. S. Marsh, chairman of the board and chief executive officer of The Atchison, Topeka and Santa Fe

Railway Co. "It would further reduce the shrinking profit margin of businesses, thus curtailing their ability to hire people, modernize for greater efficiency, and expand for greater production to meet growing demands. It would reduce take-home pay of the employed and bring on greater demands for wage increases to accomplish restoration, thus adding more pressure to the cost-price squeeze."

Mr. Marsh doesn't think the tax will be enacted.

Others think the effect will be beneficial.

"It's time we had guts enough to meet at least part of the budget deficit," declares another railroad man, W. Arthur Grotz, president of Western Maryland Railway Co.

Views less rosy

NATION'S BUSINESS has been surveying business executives on the economic outlook for 11 years. Those responding have predicted the economy's course with considerable accuracy; some foresaw in 1956 the recession that actually developed the following year, and the boom that began in early 1961 was predicted by many.

Although few responding to the current survey predict the economy will plunge into recession, their spirits are unquestionably less bouncy now than they were in the last quarterly sampling. Then 41 per cent predicted business generally would improve in 1967. Another 44 per cent thought it would remain about the same as last year, and only 15 per cent anticipated a decline.

In the current survey, completed in March, business leaders were also asked about prospects for their company's sales, profits and prices. They were asked about their plans for capital investment, and how their payroll and payroll costs will compare with last year.

Here are their answers:

- **Sales.** Nearly two thirds expect they'll be higher than last year, and another one fourth think they'll hold steady. One in 10 foresees a decline.

This is a less optimistic report than three months before. Then more than 70 per cent anticipated an increase, 21 per cent thought they'd hold the line and only seven per cent expected a drop.

For many companies in recent years, higher sales have been the only reason they've been able to report steady profits.

- **Profits.** There's a slight deterioration here, too. Half now expect



PHOTO: FABIAN BACHRACH

Labor demands that exceed the gain in productivity will force prices up, warns Oxford Paper Co. President W. H. Chisholm.

profits to increase, down a couple of percentage points from the last reading. A similar 25 per cent are betting they'll stay the same, but the 20 per cent who three months before predicted a downturn has now grown three percentage points.

• **Prices.** More businessmen now expect prices will have to go up. Three months before, the figure was just shy of 50 per cent; now it has grown to 55 per cent. About 38 per cent think they can hold the line, while seven per cent plan to lower prices.

In many cases, these higher prices won't result from the demand for goods and services exceeding the supply. They'll reflect, instead, a higher cost of labor.

This has been the major factor in the cost-push inflation that most businesses have been experiencing for some time. And raising taxes isn't the answer; that will just encourage unionists to seek restoration in the form of still higher wages, the executives say.

Foresee rise in labor costs

All but a handful of businessmen responding to the Outlook Survey expect their labor costs to go up. Most of them mention five per cent as the likeliest increase. But 28 per cent say the increase will range from six per cent to 10 per cent.

More than a few of these wage increases will be paid by compa-

nies that expect lower sales and profits. On top of this, 36 per cent say they'll have more employees on the payroll this year than last. Fifty per cent will have about the same number, and only 14 per cent will cut back.

Suspension of the investment tax credit and accelerated depreciation of buildings has already been felt.

Thirty-seven per cent of the executives expect their company's spending for capital investment will climb this year; three months before, the figure was 30 per cent. About the same number, roughly 32 per cent, are predicting a decline, as in the previous survey. Another 30 per cent anticipate capital spending will continue at last year's pace.

These figures might have been different had the President requested tax credit reinstatement earlier.

Many businessmen who regard the balance-of-payments deficit as this country's greatest economic problem strongly questioned the logic of suspending the tax incentives last autumn.

The incentives were first enacted to help business modernize its plant and equipment so that goods could be made more efficiently and offered abroad at competitive prices. Business was making this use of the incentives before they were turned off.

Effect of tax hike

As Mr. Johnson pointed out last month, imports of machinery and equipment had been rising swiftly in 1966, adding to the balance-of-payments deficit.

Many business leaders were willing to speak frankly and on the record about the proposed new surtax, the effects a new tax would have on the economy and possible alternatives to it.

Dr. Jesse Werner, chairman of the board and president of General Aniline & Film Corp., assumes that "Congress will recognize the need to help maintain the economy's momentum and not agree to a tax increase which might have serious recessive consequences for all industry."

His expectations that the economy in 1967 will speed up, and his own company's sales and profits improve, are based on that assumption.

"Chances are for a high tax on corporations and a lower one on individuals," comments Joel Hunter, president of Crucible Steel Co. of America.

J. A. Ryder, chairman of the board of Ryder System, Inc., the big

Miami-based truck leasing concern, thinks the tax will become law. But he added the advice: "Reinstate the investment tax credit so that newer equipment can offset the cost of the tax increase."

Any surtax would have a "spiral effect," warns W. B. Johnson, president of the Illinois Central Railroad Co. "The additional funds will probably be spent and pumped back into the economy as fast as they are accumulated but at higher price levels. Inflation will siphon off any benefit."

"If enacted, it would create an additional drag on a weakened and softening domestic economy," is how Dr. Randall T. Klemme, vice president and corporate economist for Northern Natural Gas Co., puts it.

Julian S. Neal, president of Fidelity & Deposit Co. of Maryland, which handles fidelity and surety bonds and property insurance, believes the over-all effect would be "mildly unfavorable, with consumer durables bearing a large part of the impact." It's this category that has lost zip recently.

Some are for the proposed surtax. Although "it will tend to slow the economy some more, this is not as dangerous, long range, as having a terrific budget deficit," comments J. W. Keener, president of The B. F. Goodrich Co.

Roger P. Sonnabend, president of Hotel Corp. of America, thinks the tax will take some of the pressure off monetary policy. "Interest rates will decline, money will be more available," he believes.

As far as their own businesses are concerned, most executives say the tax, if enacted, would cut into their profits. A minority sees little effect.

Thomas Hale, president of Martha's Vineyard Shipyard, a Vineyard Haven, Mass., builder and repairer of pleasure boats, doesn't expect the tax will be enacted. But if it is, "it would affect our economic outlook sharply, since it is often the last six per cent that people use for recreation."

Worst problems we face

Businessmen were asked, "In your opinion, what is the biggest problem facing the nation on the economic front, and do you think it will be solved or get worse this year?"

Although answers varied greatly, the largest percentage (20 per cent) agree it is inflation. "And it will get worse," says Gerald H. Trautman, president of The Greyhound Corp.

Donald S. Bittering, president of

HOW TO KEEP THE BLOOM ON THE BOOM

continued

Washington (D.C.) Gas Light Co., agrees on both counts, as does John C. Virden, chairman of the board of Eaton Yale & Towne, Inc.

"Maintenance of price stability in an era of full employment is the major problem," comments S. T. Tooker, president of The Travelers Insurance Companies.

"The problem isn't likely to be solved in 1967 although some improvement over 1966 can be expected. Long-run resolution of the inflation problem will not occur until our monetary and fiscal policies are thoroughly integrated and there is acceptance by Congress and the Administration of those restraints which an integrated policy requires."

To Oxford Paper Co.'s Mr. Chisholm, the biggest problem is two-fold: "Inflationary pressures and a profit squeeze caused by excessive labor demands that exceed increased productivity."

William R. Adams, president of St. Regis Paper Co., agrees. "It's inflation of costs resulting from excessive increases to labor," he says, without noting whether the problem will be solved or worsen this year.

Erie-Lackawanna Railroad Co. Chairman William White warns that if "the constant increase in employment cost doesn't slow down, there will be a big 'bust' some day."

Asking not to be identified by name, a top executive for one manufacturing concern that does more than \$2 billion of business annually, says the problem is one of "inflation combined with economic decline. It will probably get worse, because even if the government takes appropriate fiscal action, wage increases are exceeding productivity gains. The resultant pressure on prices and profits will be inflationary at the same time that economic activity slows down. . . ."

Another executive, who at times has informally advised the White House, says the biggest economic problem is "continued tight money. Only a partial solution will be found."

To Lewis H. Bond, president of The Fort Worth National Bank, it's "spending beyond income, with further weakening of the dollar. I think it will get worse—a much bigger deficit than is forecast," he adds.

Other businessmen join Mr. Bond in concern over the budget deficit and the continuing practice of deficit financing.

"We've danced for a long time now, someday we're going to have to pay," is the way one puts it.

As Eugene C. Zorn, Jr., senior vice president and economist for the Republic National Bank of Dallas, sees it, the biggest problem is "accommodating public policies, business decisions and personal lives into such an unsettled framework."

The chairman of one of the nation's largest retail chains believes there must be "greater understanding of the economics of free enterprise by students, faculty and those on government payrolls."

The big problem, says Wade N. Harris, board chairman of Midland-Ross Corp., the Cleveland-based diversified manufacturer, is to "keep our peacetime economy expanding while committed to such heavy military expenditures. What the government does with respect to imposing further tax increases, easing credit and reinstituting the investment tax credit will determine whether we continue to grow, or suffer a setback," he added.

Mr. Chase of the Wells Fargo Bank regards it as "our continuing balance-of-payments deficit, which could be controlled better if we had

a reduction in overseas government spending."

Expect more federal interference

Businessmen were asked what trends they foresee in business-government relations. Six out of 10 expect more government interference.

"Unfortunately, federal government incursions into such private areas as collective bargaining and pricing have been increasing. The trend will not be reversed until the American public evidences its displeasure at the ballot box," answers M. J. Warnock, president of Armstrong Cork Co.

M. C. Wheeler, board chairman of Commercial Solvents Corp., agrees there'll be more interference.

"A gradual increasing of government controls over business" is the way Earl E. Conlin, vice president-treasurer of Ex-Cell-O Corp., Detroit, sees it.

One industrialist, who asked not to be identified by name, foresees "more interference as government becomes not only the dominant customer, a senior partner, but also a quality control manager."

A minority of businessmen are more hopeful. "I believe we will see greater cooperation," comments James D. Edgett, president, North American Van Lines, Inc. **END**

SHOULD UNCLE SHARE THE WEALTH?

continued from page 37

the choice was made, a city official told of going to Washington with a shopping list; the low-priority beach project was approved as coming closest in cost to the amount federal officials were willing to give the city.

Pure frustration in dealing with Washington bureaucrats also accounts for some support for revenue sharing by local officials. Eugene Nickerson, who as county executive of Nassau County, New York, is the top official of the second largest governmental unit in the state, gave Congress this example:

His probation department has been trying for three years to get federal help for a new experiment in the training of probation officers. "Twice the request was rejected because the proposed pilot project, which had been developed after conferences with eminent sociologists, was not considered innovative enough."

Nassau County then submitted its proposal to the National Institute of Mental Health. Officials offered to come to Washington to ex-

plain it, but were told to stay home until it could be reviewed.

"Two months later," he continued, "we received a call to the effect that the project looked interesting enough to discuss further with us, but they were too busy until Jan. 30, 1967, to make an appointment."

A meeting was held and Nassau County was told the project could be funded—but: "Our people were told to go back and rewrite the project. 'No,' they were told, 'you cannot have copies of the application until the proposal has been rewritten and deemed acceptable to us.'"

"Then we will have the pleasure of filling out what I am sure is another long and complicated form, which apparently is top secret, and competing with hundreds of other proposals which also are acceptable."

"When can we send in this application? Not until next June 30. And if it is then successful, when will it be funded? Next January, 1968."

"This long process is apparently

designed as a pilot project to test the physical and mental endurance of local government officials. I am sure that it is succeeding well on a nationwide basis, for only a small portion of people subjected to the rigors of this system will ever glimpse the pot of gold at the end of the rainbow.

"Yes, we in Nassau County have had our share of experiences with all the techniques of delay and rejection, and I can tell you that the result is utter frustration."

The Federal Water Pollution Control Agency, meanwhile, has furnished the Muskie subcommittee with a number of instances in which other federal agencies with similar programs have muddled the water in various communities with competing or conflicting proposals.

"Free" money in demand

The plight of local officials faced with raising taxes or devoting local resources to projects for which federal funds are theoretically available was detailed to a business audience by former Commissioner John B. Newsom of Orlando, Fla.:

"Local elected officials are not held responsible for high federal income taxes for [they] are considered heroes for getting some of this 'free' money returned to their cities.

"On the other hand, if they tried to raise the money for . . . programs through increased local taxes, they would be called bums and probably get voted out of office. . . .

"I suggest that some plan must be devised for returning to the cities, with no strings attached, some portion of the billions now being extracted so painlessly by the federal government through income taxes, so that these funds may be expended more judiciously by municipal authorities closest to the local scene."

Gov. Harold Hughes of Iowa testified: "We governors are afraid of tax increases. All of us are.

"We sit there, and we face the people every day. We sit on the firing line and we come down and recommend a \$100 million tax increase, and we know we have signed our resignation right along with it.

"Whereas the federal government can sit here with a tax increase, with not total immunity but a little immunity as to the local effects, as to what effect it has on the pocket-book."

Gov. Hughes also stated a common concern of governors in noting that states are often reluctant to tap existing revenue sources to the fullest for fear of losing existing in-

dustry or shutting out new industry.

An aide to Sen. Jacob Javits of New York, leading Senate sponsor of revenue sharing, says the basis for such fears may be exaggerated; the fear itself is not. He notes that tax levels are a major—if not the major—complaint of businesses leaving New York City.

How to slice the melon

How would revenue sharing work? Many proposals have been introduced in Congress. A popular combination probably would include:

1. Turnback of a certain percentage of the personal income tax base, rather than the actual tax revenue, to avoid fluctuations in state revenues from this source and to avoid building rigidity into the federal rate system.

2. Minimal restrictions such as assurances that no funds would be used for facilities or services operated on a racially discriminatory basis, a major concern of civil rights groups.

3. Distribution on a population basis, and to give more help to poorer states.

4. Incentives to state and local government to spend more. One possible feature would crank in a tax-effort formula, relating tax take to such rough measures of fiscal resources as personal income. A state with high tax effort would be rewarded while one that reduced its taxes would be penalized.

5. A pass-through provision whereby, say, 50 per cent of a state's share must be channeled to city, town and county units of government.

6. Modernization of state and local government. Some proposals would set aside a small percentage for this purpose.

Listing the arguments in favor of the revenue-sharing principle, one Congressional study emphasizes its reliance on the income tax. Income tax revenues increase rapidly as the economy expands, in contrast to the more stable property and sales taxes on which state and local governments largely depend.

Further, federal revenues increase at the rate of \$6 billion a year, which could create a surplus, and hence a drag on the economy, once the Viet Nam War ends. While tax reduction is a lengthy process, the shifting of revenues to states automatically would help offset this "fiscal drag."

To the argument that Viet Nam spending precludes adoption of rev-

enue sharing, some proponents reply that revenue sharing could replace, now or ultimately, some or all of the current grant-in-aid programs, or at least curb their expansion and the enactment of new ones.

Another argument cited in the study is that the largest area of unmet needs is precisely at the state and local level; projections of their needs in the years ahead go through the roof.

In addition, many states and municipalities have reached the saturation point in taxing local resources; federal grants-in-aid continue to rise; block grants are simpler and lack the red tape, federal controls and administrative costs of an expanding bureaucracy; local officials know their own problems best.

Revenue sharing is called particularly helpful to poorer states and communities which now are hard pressed to come up with their own share of federal programs when matching dollars are required by a law.

The case against

As support for revenue sharing is varied, so is the opposition. Rep. Curtis cites these "fundamental flaws":

1. Is the federal income tax raising such amounts that a dividend can be declared? He disputes this, pointing to the history of deficits in the federal budget. (In only six years between 1937 and 1966 was there a surplus.)

2. Can government collect tax money and turn it over without any strings to another governmental authority? He replies: We can't do it from either a practical or a constitutional standpoint. The pleasure of spending money has to be kept close to the discipline of raising it.

3. Have local taxes had it? The Congressman believes that property taxes, if modernized and updated, can continue to expand and do the job.

A properly administered property tax, he argues, should rely for only 25 per cent of revenues on hard-pressed real estate, deriving the remainder from application to businesses, utilities and industries.

"Also important," he adds, "when you spend money raised locally it almost invariably increases the wealth—namely the property values—on which it's based."

Citing such common services and facilities as streets, sewers, schools and police and fire departments,

SHOULD UNCLE SHARE THE WEALTH? *continued*

he says: "All of these things actually augment the tax base."

To the argument that revenue sharing would reduce dependence on Washington, he replies: "If you go to Washington for the dough, you're already dependent."

Labor unions have been a potent source of opposition. They have much more muscle in Congress than in some state legislatures. Union opposition helped stall a harmless bill merely providing for periodic review of grant-in-aid programs now on the books.

Woodrow Ginsburg, research director of the AFL-CIO's Industrial Union Department, complains that

some federal "standards" might go down the drain under revenue sharing. This would presumably include the Davis-Bacon Act, which sets wage rates on federally subsidized construction projects.

Sen. Muskie of Maine, who probably knows more than any other Senator about the current grant-in-aid mess, is suspicious of the revenue-sharing idea, partly because of its support by Congressmen who in the past have resisted grants-in-aid for urban and other purposes. He prefers expanded grants and improved administration.

The Tax Foundation has raised a number of questions, including

that of need. It suggests that much of the backlog of state and local needs has been met in recent years and that general revenues of state and local governments could outstrip expenditures by \$5 billion by 1975.

Then, too, the reservations expressed by Chairman Wilbur Mills of the House Ways and Means Committee carry weight. He shares Rep. Curtis' concern that public spending should be tied to taxing responsibility and that states and localities could wind up more—not less—dependent on Washington.

Still to be resolved, he adds, are such questions as the extent of federal supervision over revenue sharing and the complex formulas for fund distribution. **END**

Advertisers in this issue • April 1967

	Page
Addressograph-Multigraph Corporation	S44, S45
The Griswold-Bashleman Co., Cleveland	
Aetna Life & Casualty Co.	83
Chirrup & Cairns, Inc., New York	
American Photocopy Equipment Company	S10
Ellis & Gross, Inc., Chicago	
American Telephone & Telegraph Co., Municipal Government Market	1
N.W. Ayer & Son, Inc., Philadelphia	
Armo Steel Corporation, Metal Products Division	45
Marsteller, Inc., Pittsburgh	
Airways Rent-A-Car	53
M. J. Beckman Associates, Los Angeles	
Air Express, Division REA Express	57
Ketchum, MacLeod & Grose, Inc., New York	
Bankers Box Company	59
Robertson Advertising Inc., Chicago	
Bellevue Mfg. Co., Inc.	66
Gall Advertising Co., Seattle	
Butler Manufacturing Company	17
The Griswold-Bashleman Company, Chicago	
Canon Camera Company, Calculators	S39
Kamany Associates, Inc., New York	
Centrum Electronics, Inc.	S53
Robert Core Advertising, Inc., New York	
C. I. T. Corporation	15
O. S. Tyson and Company, Inc., New York	
Chevrolet Motor Division, GMC, Truck	59
Campbell-Ewald Company, Detroit	
Commercial Credit Corp.	103
Van Sant Dagdale & Co., Inc., Baltimore	
Corry Jamestown Corporation	S24
Watts, Lee & Kenyon, Inc., Cleveland	
Cadillac Motor Car Division, General Motors Corp.	33
MacManus, John & Adams, Inc., Bloomfield Hills, Mich.	
Carta Company	61
Eastman Advertising Agency, Van Nuys, Calif.	
Dennison Manufacturing Company, Copier Division	S23
Borton, Church & Goff, Inc., Providence, R.I.	
Dixie Steel Buildings, Inc.	93
Low & Stevens Advertising, Inc., Atlanta	
Dunhill Personnel Systems, Inc.	21
The Jack Spira Co., New York	
Dust-Tex Company	16
George & Glover Advertising, Atlanta	
Eaton Allen Corp.	S34
Ira Levine Associates, Muskegon Park, L.I., N.Y.	
Echo Manufacturing Company, The	S16
Meldrum & Feunsmith, Inc., Cleveland	
Eberhard Faber Pen & Pencil Company	S47
Al Paul Leffon Company Inc., Philadelphia	
Electric Wastebasket Corporation	61
Channel Advertising Agency, New York	
Equitable Life Assurance Society of the United States	30
Foote, Cone & Belding, New York	
Evinrude Motors, Division of Outboard Marine Corp.	14
The Cramer-Krasselt Company, Milwaukee	
Executone, Inc.	S17
Baxford, Inc., New York	

	Page
Ford Motor Company, Corporate	29
Greg Advertising, Detroit	
Ford Motor Company, Trucks	3rd Cover
J. Walter Thompson Company, Detroit	
Ford Tractor & Implement Operations (U.S.)	36, 37
Meldrum & Feunsmith, Inc., Cleveland	
Ford Howard Paper Company	60
Clinton R. Frank, Inc., Chicago	
Friden, Inc.	S55
Moltzer, Aron & Lemen, Inc., San Francisco	
GMC Truck & Coach Division, General Motors Corporation	12, 13
McCann-Erickson, Inc., Detroit	
Goodyear Tire & Rubber Co., The	34
Talham-Laird & Rudner, Inc., New York	
Graphic Systems, Inc.	66
Caswell Advertising Agency, Yanceyville, N.C.	
Greyhound Corporation, The	22
Grey Advertising, Inc., New York	
Grundig-Triumph-Adler Sales Corp.	S52
Philip Stoppel Company Inc., New York	
Hamilton Cosco, Inc.	
Office Furniture Division	S38
Noble-Drury & Associates, Inc., Nashville	
Home Insurance Co., The	4, 5
Albert, Frank-Guenther Linn, Inc., New York	
Idaho State Department of Commerce & Development	56
Givens-Davies Advertising Agency, Inc., Boise, Idaho	
International Harvester Company, Farm Equipment Division	70, 71
Foote, Cone & Belding, Chicago	
International Harvester Company, Motor Truck Division	18, 19
Young & Rubicam, Inc., Chicago	
Kentile, Inc.	2nd Cover
Benton & Bowles, Inc., New York	
Latham Time Recorder Company	S35
George and Glover, Atlanta	
Lyon Metal Products, Inc.	S19
Reinke, Meyer & Finn, Inc., Chicago	
Marlite, Division of Masonite Corporation	S8
Honard Swink Advertising Agency, Inc.	
McBee Systems, A Div. of Litton Industries, Inc.	S23
John Vogelbe Associates, Inc., New York	
Mellink Steel Safe Company	61
Beeson-Richter, Inc., Toledo, Ohio	
Minnesota Mining & Manufacturing Co., Background Music	11
MacManus, John & Adams, Inc., St. Paul, Minn.	
Minnesota Mining & Manufacturing Co., Copying Products Division	S25, S32
MacManus, John & Adams, Inc., St. Paul, Minn.	
Mott Corp.	66
J. P. Cullen Advertising, Inc., Brookfield, Ill.	
National Cash Register Company	S56
McCann-Erickson, Inc., New York	
National Distillers Products Company, Old Crow	4th Cover
Leunen & Neff, Inc., New York	
National Research Bureau	53
Oakleigh B. French, Sarasota, Fla.	
New York Life Insurance Company	6
Compton Advertising, Inc., New York	
National Truck Leasing System	21
Sterens-Kirkland-Sinabelfeld, Inc., Chicago	

	Page
Olivetti Underwood Corporation	20
Ketchum, MacLeod & Grose, Inc., New York	
Oxford Filing Supply Company, Inc.	S2
Geer, Dabbs & Company, Inc., New York	
Paillard, Inc., Hermes	S12, S13
deGarmo, Inc., New York	
Parker Pen Company, The	S18
Leo Burnett Company, Chicago	
Phoenix Mutual Life Insurance Company	25
Batten, Barton, Durstine & Osborn, Inc., New York	
Pitney Bowes, Inc.	85
deGarmo, Inc., New York	
Plymouth Division Chrysler Corporation, Plymouth	73
Young & Rubicam, Inc., Detroit	
Port Huron Paper Company	S43
Dudman, Braxer & Cunningham, Inc., Detroit	
Pruden Products Company	54
Shawway and Carman Inc., Madison, Wis.	
SCM Corporation, Office Equipment Division	S20, S21
Ware Advertising Co., New York	
Shaw-Walker Company, The	S40
J. Walter Thompson Company, Chicago	
Superscope, Inc.	S54
Audio Advertising Associates, San Valley, Calif.	
Stenocard Corp.	S48
Snook-Walden, Inc., Advertising, Los Angeles	
Thomas Collators, Inc.	S46
Douglas Parter, Inc., Newark, N.J.	
Tiffany Stand Company	S53
Stolz Advertising Company, St. Louis	
United Air Lines	9
Leo Burnett Co., Inc., Chicago	
Wang Laboratories, Inc.	S53
Larson-Randall Advertising, Inc., Boston	
Waterman-Bic Pen Corporation	S11
Emil Mark & Co., Inc., New York	

Regional Advertisements

	Page
Association of Industrial Advertisers, New York	55
Delta Steel Buildings Company	67
Glenn Advertising, Inc., Dallas	
Kaar Electronics Corporation, Marine & Land Communications Div.	92
Ronald-Reynolds & Co., Montreal, Canada	
Carolina Power & Light Company	81
J. T. Howard Advertising Agency, Inc., Raleigh	
Marine Midland Corporation	77
Batten, Barton, Durstine & Osborn, Inc., New York	
Quebec Industries, The Pavilion of	67
BCP Publicite Ltee, Montreal, Canada	
Sacramento City-County Chamber of Commerce, Industrial Div.	79
Gerth, Brown, Clark & Elkus, Inc., Sacramento, Calif.	
Southern Airways, Inc.	83
Harris & Weinstein Associates, Inc., Atlanta	
Magazine Publishers Association	77
Magazine Advertising Bureau, New York	
Treasury Department, U.S. Savings Bonds Division	67
Research Institute of America	55
Henderson & Roll, Inc., New York	

Does your bank lend you all the cash you need?

If so, turn the page. If not, turn to Commercial Credit. For all sorts of reasons, a bank must often limit credit lines. While banks and Commercial Credit both deal in the same commodity—money, lending requirements differ. Under our flexible financing programs, the credit base is broadened—especially important for firms needing added cash for faster, more-profitable growth and being held back by slow capital turnover.



This is one reason so many banks refer so many good customers to us—share with us in lending more than would be available under other "standard" lending procedures. When you borrow on receivables, Commercial Credit makes *more* working capital available . . . *more* promptly . . . than other financing methods can usually provide.

Even more important, such funds grow as your business grows. Automatically. Continuously. Without periodic renegotiations, renewals, or clean-ups. You use as few or as many dollars as you need . . . and pay only for those you use, on a day-to-day basis.

CCCash is our name for this very special kind of money. To get some, in addition to or instead of a bank loan, call for our nearest man who can help you keep going and growing.

Call Commercial Credit

OR WRITE: COMMERCIAL CREDIT CORPORATION, 300 ST. PAUL PL., BALTIMORE, MD. 21202

Atlanta.....270 Peachtree St., N.E.....525-4938
Baltimore.....2315 St. Paul St.....MU 5-1400
Chicago.....208 S. La Salle St.....DE 2-3716
Cincinnati.....1003 Carew Tower.....721-2962

Los Angeles.....722 S. Spring St.....MA 4-9431
New York.....50 W. 44th St.....OX 7-3500
Oklahoma City.....120 R. S. Kerr Ave.....CE 2-0507
San Francisco.....44 Montgomery St.....982-6362



BUSINESS LOANS: Another service offered by subsidiaries of Commercial Credit Company, which has assets of over two and one-half billion dollars.

Second thoughts

President Johnson has asked Congress to cough up more than \$3 billion so Washington can show the nation's cities how to run their affairs.

Yet, calling for "home rule" for the District of Columbia, Mr. Johnson told the lawmakers:

"The Congress, preoccupied as it should be with the problems of this great nation, cannot be expected to provide the day-to-day management that should be provided by locally elected officials."

We heard you the second time, Mr. President.

Nation's Business

•

April 1967

MORE THAN 800,000 SUBSCRIBERS IN BUSINESS AND INDUSTRY

Want big load space
plus top maneuverability?



Just one place to turn: Ford SuperVan!

Feature for feature, no other van has so much going for it—so many plusses going for you!

Space: A full foot and a half longer than standard vans.

Maneuverability: SuperVan boasts a tight 37-foot turning diameter—

turns in the same circle as smaller capacity vans.

Accessibility: Doors! Up to eight of them let you load and unload *fast*.

Power: Choice of 170-cu.-in. Six or, for those heavy cargo jobs, an optional 240-cu.-in. Six.

Add 'em up: Space, maneuverability, accessibility, power—they total new economy, better service for your customers. See this great Econoline series—America's most popular vans at your Ford dealer.



FORD ECONOLINE

VAN AND SUPERVAN

BOTH TURN
IN THE SAME
37' CIRCLE



for people going places

the exclusive new
**OLD CROW
TRAVELER**



Popular
round
fifth
available
as usual.



KENTUCKY STRAIGHT BOURBON WHISKY 80 PROOF. DISTILLED AND BOTTLED BY FAMOUS OLD CROW DISTILLERY CO., FRANKFORT, KY.

Now you can take Old Crow wherever you go. In the tuckaway fifth is the same mellow, smooth Bourbon you find in the familiar round bottle. Famous since 1835, today Old Crow is the most popular Bourbon in the land. Enjoy the Traveler at no extra charge.

The tuckaway fifth that
packs as flat as your shirt!